COMMISSION OF THE CURDED IN COMMENTERS

COM(81) 185 final

Brussels, 14 April 1991

Recommendation for a COUNCIL REGULATION

on the conclusion of the Agreement in the form of an exchange of letters concerning the application of paragraph 2 of the Joint Declaration on Protocol 1 and Articles 8, 9 and 10, annexed to the Interim Agreement between the European Economic Community and the Socialist Federal Republic of Yugoslavia on trade and trade co-operation

(submitted to the Council by the Commission)

COM(81) 185 final

Commission Communication to the Council

on the negotiation of an Agreement in the form of an exchange of letters concerning the application of paragraph 2 of the Joint Declaration on Protocol 1 and Articles 8, 9 and 10, annexed to the Interim Agreement between the European Economic Community and the Socialist Federal Republic of Yugoslavia on trade and trade cooperation.

1. The Community and the Socialist Federal Republic of Yugoslavia have held the consultations required by paragraph 3 of the Joint Declaration on Protocol 1 and Articles 8, 9 and 10, annexed to the Interim Agreement between the European Economic Community and the Socialist Federal Republic of Yugoslavia on trade and trade cooperation. An Agreement in the form of an exchange of letters was drafted at the consultations, held on 31 March 1981.

The Agreement is intended to establish that for certain particularly sensitive products, which it defines, only the preferential arrangements laid down by the EEC/Yugoslavia Agreement will be applicable, so that a choice between those arrangements and the generalised system of preferences will not be possible. It also contains certain transitional provisions for the introduction of those arrangements.

- 2. The Commission recommends that the Council approve the results of the consultations, and adopt the Regulation on the conclusion of the Agreement in the form of an exchange of letters.
- 3. Coal and steel products will be the subject of a separate procedure before the ECSC Agreement enters into force.

¹ OJ L 130, 27 May 1980

Recommendation for a Council Regulation

on the conclusion of the Agreement in the form of an exchange of letters concerning the application of paragraph 2 of the Joint Declaration on Protocol 1 and Articles 8, 9 and 10, annexed to the Interim Agreement between the European Economic Community and the Socialist Federal Republic of Yugoslavia on trade and trade 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 recommendation from the Commission,

Whereas paragraph 3 of the Joint Declaration on Protocol 1 and Articles 8, 9 and 10, annexed to the Interim Agreement between the European Economic Community and the Socialist Federal Republic of Yugoslavia on trade and trade co-operation requires that paragraph 2 of the Declaration apply from 1981;

Whereas an agreement in the form of an exchange of letters should be concluded to this end,

HAS ADOPTED THIS REGULATION:

Article 1

The Agreement in the form of an exchange of letters concerning the application of paragraph 2 of the Joint Declaration on Protocol 1 and Articles 8, 9 and 10, annexed to the Interim Agreement between the

¹ OJ L 130, 27.5.1980, p. 1.

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European Economic Community and the Socialist Federal Republic of Yugoslavia on trade and trade co-operation is hereby approved on behalf of the Community.

The text of the Agreement is annexed to this Regulation.

Article 2

The President of the Council is hereby authorised to designate the person empowered to sign the Agreement in order to bind the Community.

Article 3

This Regulation shall enter into force on the day following 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 Brussels,

For the Council

The President

Exchange of letters

concerning the application of paragraph 2 of the Joint Declaration on Protocol 1 and Articles 8, 9 and 10, annexed to the Interim Agreement between the European Economic Community and the Socialist Federal Republic of Yugoslavia on trade and trade co-operation

Madam,

On 31 March 1981 the Community and Yugoslavia held the consultations provided for in paragraph 3 of the Joint Declaration on Protocol 1 and Articles 8, 9 and 10, annexed to the Interim Agreement between the European Economic Community and the Socialist Federal Republic of Yugoslavia on trade and trade co-operation. Agreement was reached on the following:

1. As from 1 April 1981, for

- products subject, in compliance with the provisions of the Agreement, to a Community quota or to a Community tariff ceiling or to a progressive reduction of customs duties;
- textile products;
- the other industrial products, listed at any given time in Annex A to the Regulation on the application of the generalised tariff preferences to developing countries.

the movement certificate EUR.1 provided for in Protocol 2 to the Agreement is the only documentary evidence acceptable for the granting of tariff preference.

2. Products which

- before 1 April 1981 could be exported either under a certificate EUR.1 or under a certificate Form A, and for which a certificate Form A was in fact selected, and,

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- were on that date in transit or were in provisional storage, in a bonded warehouse or in a free zone in the Community or in Yugoslavia.

may be allowed to benefit from the provisions of the Agreement if they originate in Yugoslavia within the meaning of Protocol 2 to the Agreement, and provided that within a period of four months following 1 April 1981 a certificate EUR.1 issued retrospectively by the competent authorities of Yugoslavia is produced to the customs authorities in the Community.

The transitional arrangements described in this paragraph will apply <u>mutatis mutandis</u> to any product which may in future be put in a similar situation by a change either in the system of generalized tariff preferences or in the Agreement.

3. The arrangements described in paragraph 1 and the provisions contained in paragraph 2 will apply under both the Interim Agreement and the Co-operation Agreement when it enters into force.

I should be obliged if you would acknowledge receipt of this letter and confirm your authorities agreement with its contents.

Please accept, Madam, the asurance of my highest consideration.

Head of the Delegation of the European Economic Community

Exchange of letters

concerning the application of paragraph 2 of the Joint Declaration on Protocol 1 and Articles 8, 9 and 10, annexed to the Interim Agreement between the European Economic Community and the Socialist Federal Republic of Yugoslavia on trade and trade co-operation

Sir,

In your letter of today, you made the following communication:

"On 31 March 1981 the Community and Yugoslavia held the consultations provided for in paragraph 3 of the Joint Declaration on Protocol 1 and Articles 8, 9 and 10, annexed to the Interim Agreement between the European Economic Community and the Socialist Federal Republic of Yugoslavia on trade and trade co-operation. Agreement was reached on the following:

1. As from 1 April 1981, for

- products subject, in compliance with the provisions of the Agreement, to a Community quota or to a Community tariff ceiling or to a progressive reduction of customs duties;
- textile products;
- the other industrial products, listed at any given time in Annex A to the Regulation on the application of the generalised tariff preferences to developing countries.

the movement certificate EUR.1 provided for in Protocol 2 to the Agreement is the only documentary evidence acceptable for the granting of tariff preference.

2. Products which

- before 1 April 1981 could be exported either under a certificate EUR.1 or under a certificate Form A, and for which a certificate Form A was in fact selected, and,

- were on that date in transit or were in provisional storage, in a bonded warehouse or in a free zone in the Community or in Yugoslavia,

may be allowed to benefit from the provisions of the Agreement if they originate in Yugoslavia within the meaning of Protocol 2 to the Agreement, and provided that within a period of four months following 1 April 1981 a certificate EUR.1 issued retrospectively by the competent authorities of Yugoslavia is produced to the customs authorities in the Community.

The transitional arrangements described in this paragraph will apply mutatis mutandis to any product which may in future be put in a similar situation by a change either in the system of generalized tariff preferences or in the Agreement.

3. The arrangements described in paragraph 1 and the provisions contained in paragraph 2 will apply under both the Interim Agreement and the Co-operation Agreement when it enters into force.

I should be obliged if you would acknowledge receipt of this letter and confirm your authorities' agreement with its contents."

I have the honour to acknowledge receipt of your letter and confirm my Delegation's agreement with its contents.

Please accept, Sir, the assurance of my highest consideration.

Head of the Delegation of the Socialist Federal Republic of Yngoslavia.