### COMMISSION OF THE EUROPEAN COMMUNITIES

COM(78) 374 final Brussels, 27 July 1978

# Proposal for a COUNCIL REGULATION (EEC)

amending Regulation (EEC) No 950/68 on the Common Customs Tariff

(submitted to the Council by the Commission)

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#### EXPLANATORY MEMORANDUM

#### 1. Introduction

- 1.1. By Regulation (EEC) No 950/68 of 28 June 1968 <sup>(1)</sup>, the Council adopted, in the form of an Annex to that Regulation, the Common Customs Tariff as applicable on that date, that is to say taking into account the various autonomous regulations or decisions in force as well as the Community's commitments towards third countries.
- 1.2. As from 1 January 1970, this Regulation (EEC) No 950/68, has been annually subject to an amending regulation of the Council in the form of a further updated "Common Customs Tariff" Annex. This should likewise be the case on 1 January 1979.
- 1.3. In order to enable all Member States and all users to have an up-to-date Regulation in the official languages of the Community, it is proposed that the Council should adopt, on the basis of Articles 28 and 113 of the Treaty, the Common Customs Tariff in the form of a Regulation amending Regulation (EEC) No 950/68 of 28 June 1968.

For practical reasons, only the pages of the Common Customs Tariff (in its current version) which have been amended appear in Annex. In the edition which will be published in the Official Journal, the Common Customs Tariff will nevertheless appear in its entirety.

### 2. Amendments set out in this draft Regulation, as compared with the text in force on 1 January 1978

### 2.1. Amendments resulting from international commitments

- 2.1.1. With regard to subheading 48.01 C (Kraft paper), it is necessary to apply the results of the negotiations effected on the basis of Article XXIV (6) of GATT (Decision of 20 July 1974): reduction from 8.5 % to 8 %.
- 2.1.2. The indication of the volume of tariff quotas relating to goods in subheadings 54.03 B I, 70.19 A and 73.02 C has been amended in accordance with the communication which the Community sent to GATT on this subject. This concerns the reduction of the quotas in question in proportion to the quota share from which the EFTA countries benefit.

#### 2.2. Amendments resulting from agricultural regulations

These concern tariff amendments which result from regulations concerning common market organisations already in force or coming into force on 1 January 1979 at the latest.

These regulations affect the following Chapters:

Chapter 1 : - subheading 01.05 A I and II (Regulation No 2299/77 - 0.J. No L 271/77, p. 1)

Chapter 4: - subheadings 04.02 A III a) and B II a); 04.04 A I and E I b) 1 aa)
(Regulation No 1000/78 - 0.J. No L 130/78, p. 7)

- subheading 04.05 A I a)
(Regulation No 2300/77 - 0.J. No L 271/77, p. 6)

Chapter 7: - subheadings 0/.01 P I and II (Danish version) (Correction 0.J. No L 100/78, p. 21)

Chapter 10: - legal note (Dutch version) (Correction 0.J. No 21/78, p. 32)

Chapter 22 : - Additional Notes 3 A (last line) and 6 (last indent)

- subheading 22.05 B
The term "atmospheres" is to be replaced by the term "bars"

(Draft Council Decision included in doc. S/985/78 (CSA) 178 (MED) Corrigendum 1)

### 2.3. Amendments intended to ensure the correct and uniform application of agreements concerning trade in textile products

- 2.3.1. In this context, for certain Chapters of Section XI, the statistical Nomenclature (NIMEXE) has been used either in its entirety (Chapters 60 to 62 concerning clothing and made up articles) or in part (Chapters 50 to 59) in the C.C.T. When this transposition was made, it was felt necessary to modify certain "statistical" headings in order to bring them in line with usual customs terminology.
- 2.3.2. The Chapters and headings which are affected by these amendments are the following:

Nos. 51.04

53.08

56.06

59.02

59.11

Chapters 60 to 62

## 2.4 Amendments requested by Member States or resulting from work within the Commission

2.4.1 These amendments proposed autonomously are few and are essentially intended to clarify texts, as well as to ensure the best possible agreement between the different versions of the Common Customs Tariff. These amendments, which at times differ from one language to another, mainly concern:

Chapter 28, Note 3

28.01 D

Chapter 29 (Modernisation of the chemical terminology)

30.01 B

62.02 (Danish version)

70.19 and 70.19 A and A IV (German, English and Dutch versions)

71.16 (Danish version)

73.12 B I (\*)

73.32 (English and Danish versions)

74.15 (English and Danish versions)

82.02 A I (English and Danish versions)

84.45 C X (English and Dutch versions)

85.15 A III (English version)

Chapter 87, Note 1 (Danish version)

87.02 B II (a) 1 (aa)

87.02 B II 'a) 2 'aa) and bb)

93.06 B I (English version)

with regard to iodine (subheading 28.01 D), it appeared appropriate to recommend that iodine, other than crude, should be permanently free of duty.

The Joint Panel of Government Experts on the Common Customs Tariff recorded its agreement on the amendments set out above.

2.4.2 The above mentioned Joint Panel could not reach agreement in respect of "aluminium oxide and hydroxide" (alumina), subheading 28.20 A, or on sewing machines, subheading 84.41 A.

<sup>(\*)</sup> This amendment is set out for information purposes since it concerns a note relating to products coming under the ECSC Treaty, a draft "ad hoc" decision will be sent separately.

- 2.4.2.1 Concerning products under subheading 28.20 A, the German delegation for reasons of commercial policy, did not share the opinion of the other delegations who considered it necessary to end the present suspension at 5.5 % and, in consequence, to reintroduce the rate of 8.8%. The Commission itself suggests the reintroduction of this last rate in stages, for example:

  6.5 % from 1.7.1979, 7.5 % from 1.1.1980 and 8.8 % from 1.7.1981.
- 2.4.2.2 With regard to sewing machines, a technical modification of the text (a) (which does not affect the rates applicable) was adopted by all of the Member States except Italy. The Italian representative expressed a strong desire to see the duty of 12 % extended to all domestic sewing machines.
- 2.5 Amendments resulting from Directive No. 71/354/EEC of 18 October 1971 (1) further amended by Directive No. 76/770/EEC of 27 July 1976 (2) on the approximation of the laws of the Member States relating to units of measurement

These amendments concern Additional Notes I G, 4 a) and b) and 5 m) of Chapter 27.

- 2.6 Amendments resulting from the adoption of the EUA
  - 2.6.1 The draft CCT must take into account the Proposal for a Council Regulation on the application of the European Unit of Account (EUA) (\*)
  - 2.6.2 This being the case, the following amendments are proposed:
- (a) This text is as follows:
  - 84.41 A. Sewing machines; furniture specially designed for sewing machines:
    - I. <u>Sewing machines</u>, with heads of a weight not exceeding 16 kg without motor or 17 kg including the motor;

sewing machine heads, of a weight not exceeding 16 kg without motor or 17 kg including the motor:

- a) Sewing machines (lock-stitch only) having a value

  (not including frames, tables or furniture) not exceeding

  65 EUA each; sewing machine heads (lock-stitch only)....12
- b) Other ..... 12 6
- II. and III. (unchanged)
- B. (unchanged)
- (1) OJ No L 243/71, page 29
- (2) OJ No L 262/76, page 204
- (\*) See proposal for a Regulation (doc. COM(76) 513 final of 4.10.1976 and COM (77) 175 final).

### 2.6.2.1 Section I, General Rules - General Rule C 3

Part 3 of General Rule C makes provision for the rates to be applied for the conversion of the EUA into national currencies. However, certain exceptions are mentioned in paragraph B (b) viz. headings and subheadings 22.06 to 22.10, 24.01, 69.01, 69.02, 69.07, 69.08, 69.10 to 69.13, 85.25 A and 91.01 for which the rate to be applied for this conversion is obtained either by adding to or by subtracting from the former par value (FMI) half of the difference between this par value and the rate derived from the EUA at 1st October 1978. With regard to heading 04.04 and subheading 22.05 C, the representative rate stays applicable as previously (see paragraph 3 (c).

### 2.6.2.2 Section II - Special Provisions, letter B

The provisions relating to minor importations of a non-commercial nature are the subject of a separate (\*) regulation, the text of which is given in this draft regulation.

### 3. Conclusions

In view of the large number of amendments which must be made to the Common Customs Tariff on 1 January 1979 and of the effects which such amendments will have on the working tariffs of the Member States, the Commission would like the Council to give a ruling on the proposal for a Regulation which is submitted to it in October 1978.

<sup>(\*)</sup> See proposal for a Regulation (doc. COM (78) 257 final of 15.6.78).

## proposal for a COUNCIL REGULATION (EEC)

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THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 28 and 113 thereof,

Having regard to the proposal from the Commission,

Whereas, under the agreement signed with third countries as a result of the negotiations carried out pursuant to Article XXIV (6) of the General Agreement on Tariffs and Trade, as concluded by the Council Decision of 20 July 1974, the European Economic Community has undertaken to reduce or amend customs duties for various products; whereas for a certain range of products the reduction or amendment of the customs duty is to apply from 1 January 1979; whereas it is expendient, therefore, in order to ensure uniform application of the Common Customs Tariff, to specify in Council Regulation (EEC) No 950/68 on 28 June 1968 on the Common Customs Tariff (1), as last amended by Regulation (EEC) No (2), the conventional duties applicable to those products;

Whereas, in order to ensure the correct and uniform application of agreements concerning trade in textile products between the Community and various third countries, it appears appropriate to set out in the Common Customs Tariff the nomenclature relating to various statistical headings and subheadings of the said products;

Whereas it is necessary to take account in the Common Customs Tariff of the provisions of Council Regulation (EEC) No /78 of on the procedure for applying the European unit of account (EUA) to the legal acts adopted by the institutions of the European Communities (3), and in particular of Article 14 thereof; whereas General Rule C 3 of Section I of

<sup>&</sup>lt;sup>(1)</sup> O.J. No L 172, 22.7.1968, p. 1

<sup>(2) 0.</sup>J. No L , p.

<sup>(3)</sup> See Proposal for a regulation (doc. COM(76) 513 final of 4.10.1976 and also COM(78) 257 final and T/522/78 (END) of 16.6.1978).

Part I of the "Preliminary Provisions" of the Annex "Common Customs Tariff" must therefore be amended in accordance with the provisions of the above-mentioned Article 14; and whereas throughout the Common Customs Tariff the symbol "u.a." must be replaced by the symbol "EUA" in all cases mentioned in Article 14 of the above-mentioned Regulation, and whereas with regard to the conversion into national currencies of the said EUA it is necessary, moreover, to take into account the provisions of points 2 and 3 of that Article;

Whereas for certain headings or Chapter Notes it is necessary to introduce amendments designed to ensure uniform application of the Common Customs Tariff; whereas, moreover, a certain number of drafting amendments is justified for the purpose of improving the Common Customs Tariff;

Whereas certain Regulations on the common organisation of agricultural markets provide that the tariff nomenclature resulting from their application shall be included in the Common Customs Tariff and/or amend customs duties; whereas it is therefore appropriate to include in this Regulation all the amendments resulting from Regulations adopted under the common agricultural policy;

Whereas, in order to take account of Council Directive 71/354/EEC of 18 October 1971 on the approximation of the laws of the Member States relating to units of measure—ment 1 as amended by Directive 76/770/EEC of 27 July 1976 2, it is necessary to amend the text of certain notes to chapter 22 of the CCT; Whereas it is appropriate, for the sake of clarity, to bring the whole of the Common Customs Tariff up to date; whereas, for this purpose, it is necessary to consolidate within a single text not only those parts which are amended with effect from 1 January 1979 but also those which have already been amended and those which remain unchanged;

Whereas, although temporary tariff amendments and the preferential arrangements resultin from the various acts adopted by the Community form an integrated part of the Common Customs Tariff, it seems appropriate not to include them in this Regulation;

Whereas this Regulation does not apply to products covered by the Treaty establishing the European Coal and Steel Community, although the nomenclature and the conventional duties for these products are included, for information purposes, in the Schedule of Customs Duties in order to make the latter easier to understand,

<sup>(1) 0.</sup>J. No L 243, 29.10.1971, p. 29

<sup>(2) 0.</sup>J. No L 262, 27.9.1976, p. 204

HAS ADOPTED THIS REGULATION :

### Article 1

The Annex headed "Common Customs Tariff" to Regulation (EEC) No 950/68 is hereby replaced by the Annex to this Regulation.

### 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