

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(82) 416 final

Brussels, 5 July 1982

Draft
Proposal for a
COUNCIL DIRECTIVE
concerning the implementation of Article 18 of Directive 69/73/EEC
on the harmonization of provisions laid down by law, regulation or
administrative action in respect of inward processing

(submitted to the Council by the Commission)

COM(82) 416 final

EXPLANATORY MEMORANDUM

1. Article 18 of Council Directive 69/73/EEC on the harmonisation of provisions laid down by law, regulation or administrative action in respect of inward processing provides that the Council shall prepare, on a proposal from the Commission, a list of compensating products and intermediate products which, when put on the market shall, by way of derogation from the provisions of Articles 16 and 17, be subject to application of customs duties, charges having equivalent effect or agricultural levies appropriate to them and not to those appropriate to the imported goods.
2. This form of taxation applied to these secondary products resulting from working or processing helps to establish the most favourable conditions for exportation of other compensating products by enabling the total costs of the processing operation to be reduced.
3. It is in fact applied throughout the Community to scrap and waste from processing in accordance with Council Directive 73/82/EEC of 26 March 1973. As regards the other secondary compensating products this form of taxation is not yet harmonised at Community level. Article 35 of Directive 69/73/EEC allows the Member States to maintain, for the time being, their taxation regulations in this area until provisions in accordance with Article 18 are applied.

Conclusion

The object of the present directive is to achieve harmonisation within this field, as provided for in Article 18 of Directive 69/73/EEC, by establishing a list of products which, when put on the market, are subject to the application of charges appropriate to them. This list also incorporates scrap and waste which are the subject of Directive 73/82/EEC which it is intended should be repealed.

In view of the urgency of applying this list, and in accordance with the 1982 programme for the attainment of the customs union, in particular Annex I, point B.8, the Commission is sending the present proposal to the Council, even though the regulation concerning inward processing has not yet been adopted.

Although the opinions of the European Parliament and the Economic and Social Committee are optional, the Commission feels that these consultations are advisable.

Proposal for a
COUNCIL DIRECTIVE

concerning the implementation of Article 18 of Directive 69/73/EEC on the harmonization of provisions laid down by law, regulation or administrative action in respect of inward processing

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Directive 69/73/EEC of 4 March 1969 on the harmonization of provisions laid down by law, regulation or administrative action in respect of inward processing¹, and in particular Article 18 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament,

Having regard to the opinion of the Economic and Social Committee,

Whereas rules for the taxation of scrap and waste from processing carried out under the inward processing arrangements were adopted under Council Directive 73/82/EEC²; whereas experience has shown the advisability of replacing that directive and drawing up a list of products which may benefit, under certain conditions, from the provision of Article 18 of Directive 69/73/EEC,

HAS ADOPTED THIS DIRECTIVE :

¹ OJ No L 58, 8.3.1969, p. 1

² OJ No L 106, 20.4.1973, p. 7.

Article 1

1. Where the scrap, waste and residues and the other compensating or intermediate products which appear in column 2 of the list contained in the Annex and which result from the processing operations shown in column 3 of this text are released into free circulation in accordance with the conditions set out in Articles 14 and 15 of Directive 69/73/EEC, they shall be taxed by the application of the customs duties, charges having equivalent effect and agricultural levies pertaining to them at the time when they are released into free circulation in the customs territory of the Community.
2. Paragraph 1 shall also apply to the taxing of scrap, waste and residues other than those appearing in column 2 of the list contained in the Annex. The competent authorities shall inform the Commission of the cases where this paragraph is applied. Such information shall be examined by the Committee on Inward Processing.
3. To benefit from the provisions of paragraph 1, the quantity of compensating products in question may not exceed proportionally the quantity of other compensating products exported.

Article 2

Directive 73/82/EEC is hereby repealed from 1 January 1983.

Article 3

The Member States shall take the measures necessary to comply with this Directive not later than 1 January 1983.

Article 4

This Directive is addressed to the Member States.

Done at Brussels

For the Council
The President

ANNEX

List of compensating products to which Article 18 of Directive 69/73/EEC applies when these products are released for free circulation

Number	Tariff heading and description of the compensating products		Processing operations from which they result
1	2		3
1.	ex chap. 2	Edible meat offals	Any working or processing
2.	ex 02.01	Off-cuts from operations shown in column 3	Cutting meat from animals of chapter 1 into portions
3.	ex 03.01	Off-cuts from operations shown in column 3	Sawing frozen fillet blocks
4.	ex 04.01 A I	Whey	Processing fresh milk
5.	ex 04.02 A I	Whey in powder, not containing added sugar	Manufacture of lactose from concentrated whey
6.	ex 04.05 A	Un-fertilized eggs	Incubation and hatching of day-old chicks
7.	05.02	Pigs', hogs' and boars' bristles or hair; badger hair and other brush making hair; waste of such bristles and hair	Any working or processing
8.	05.03	Horsehair and horsehair waste, whether or not put up on a layer or between two layers of other material	Any working or processing
9.	05.04	Guts, bladders and stomachs of animals (other than fish) whole and pieces thereof	Slaughtering animals of chapter 1
10.	05.05	Fish waste	Any working or processing
11.	ex 05.07 B	Powder and waste of feathers or parts of feathers	Any working or processing
12.	05.08	Bones and horn-cores, unworked, defatted, simply prepared (but not cut to shape), treated with acid or degelatinised; powder and waste of these products	Any working or processing

1	2	3	
13.	ex O5.09	Horns, antlers, hooves, nails, claws and beaks, unworked or simply prepared but not cut to shape, and waste and powder of these products; whalebone and the like, uncooked or simply prepared but not cut to shape and hair and waste of these products	Any working or processing
14.	ex O5.12	Powder and waste of shells	Any working or processing
15.	ex O5.14	Animal products, fresh, chilled or frozen or otherwise provisionally preserved, of a kind used in the preparation of Pharmaceutical products	Slaughtering and cutting animals of chapter 1
16.	ex O5.15 B	Heads	Slaughtering and cutting animals of chapter 1
17.	ex O5.15 B	Blood	Slaughtering animals of chapter 1
18.	ex O5.15 B	Eggshells	Separating eggs from shells
19.	ex O5.15 BII	Scraps of rind	Skinning of pigmeat
20.	ex O9.O1 A	Broken coffee	Working or processing raw coffee
21.	O9.O1 B	Husks and skins	Roasting raw coffee
22.	ex O9.O2 B	Tea powder	Working or processing raw tea; putting into tea-bags
23.	10.06 B III	Broken rice	Working or processing of rice including malting
24.	ex 11.O2 B	Grains, not otherwise worked than kibbled	Working or processing cereals by milling, including malting
25.	11.O2 G	Germ of cereals	Working or processing cereals by milling, including malting
26.	11.O9	Wheat gluten, whether or not dried	Working or processing wheat by milling
27.	15.O1 A	Lard and other pig fat	Slaughtering swine, cutting and boning ; rendering bacon
28.	ex 15.O2	Fats of bovine cattle, sheep or goats	Slaughtering bovine cattle, sheep or goats, cutting and boning
29.	ex 15.O4	Fish oils	Processing fish into fillets

1	2	3
30. 15.06	Other animal oils and fats	Removing fat from stags' shoulders
31. ex 15.07 D II b)2aa)	Maize (germ) oil	Processing maize
32. ex 15.07 DII	Residues from refining	Refining crude vegetable oils
33. ex 15.10	Industrial fatty acids, acid oils from refining	1. Refining animal and vegetable oils and fats 2. Bleaching, de-acidifying and hardening products under 1
34. 15.10 A	Stearic acid	Manufacturing erucic acid
35. ex 15.11	Glycerol	1. Refining crude vegetable oils, fats from bones and fats from carcasses; 2. Bleaching, de-acidifying and hardening products under 1
36. 15.17 B	Residues resulting from the treatment of fatty substances or animal or vegetable waxes	Any working or processing
37. ex 17.02 B II b)	Waste from starch sugar	Processing maize into glucose
38. 17.03	Molasses	Processing sugars
39. 18.02	Cocoa shells, husks, skins and waste	Any working or processing
40. ex 21.06	Natural yeasts	Producing beer from malted barley
41. ex 22.09 A	Heads and tails from distillation (undenatured ethyl alcohol of an alcoholic strenght of less than 80 % Vol) and distilled wine (heads and tails from distillation, unconcentrated)	Distilling crude ethyl alcohol from molasses or wine
42. Chap. 23	Residues and waste from the food industries; prepared animal fodder	Any working or processing
43. ex 24.01	Ribs, stalks and waste from tobacco	Manufacturing cigarettes, cigars or smoking tobacco; blonding of tobacco
44. ex 25.26	Mica waste	Any working or processing
45. 26.02	Slag, dross, scalings and similar waste from the manufacture of iron or steel	Any working or processing

1	2	3	
46.	26.O3	Ash and residues (other than from the manufacture of iron or steel), containing metals or metallic compounds	Any working or processing
47.	26.O4	Other slag and ash, including kelp	Any working or processing
48.	ex 27.O5 bis	Gas	Carbonising coal
49.	ex 27.O6	Tar distilled from coal and other mineral tars, including partially distilled tars and blended tars	Carbonising coal
50.	ex 27.O7	First runnings and residues from distillation	Distilling phenols
51.	ex 27.11 BII	Gas from dehydrogenation and other gaseous hydrocarbons	Manufacturing polystyrene from ethyl benzene
52.	27.12 A	Crude petroleum jelly	Refining crude paraffin
53.	ex 27.13 B	Other mineral waxes, whether or not coloured	Any working or processing
54.	27.14	Petroleum bitumen, petroleum coke and other residues of petroleum oils or of oils obtained from bituminous minerals	Any working or processing
55.	ex 28.O6	Hydrochloric acid	Manufacturing various chemical products from fluorspar, hydrogen fluoride, 2.6 diisopropylaniline, and from silicon tetrachloride
56.	ex 28.O8	Sulphuric acid	Manufacturing hydrocarbon flourides from hydrogen fluoride
57.	28.13 G	Carbon dioxide	1. Manufacturing beer from malted barley 2. Producing ethyl alcohol from cereals
58.	ex 28.14 AII	Silicontetrachloride	Manufacturing silanes, silicones and their derivatives from silicon
59.	28.28 C I	Calcium hydroxide	Processing calcoium carbide into acetylene and calcium cyanamide
60.	ex 28.38 A VIII	Calcium sulphate	Processing fluorspar hydrogen fluoride

1	2	3
61. ex 29.O1 DI	Toluene	Manufacturing acetone, phenol or polystyrene from styrene or cumene
62. ex 29.O1	Other hydrocarbons	Manufacturing acetone, phenol or polystyrene from styrene or cumene
63. 29.O2	Halogenated derivatives of hydrocarbons	Manufacturing products based on hydrogen fluoride
64. 29.O3	Sulphonated, nitrated or nitrosated derivatives of hydrocarbons	Manufacturing products based on hydrogen fluoride
65. 29.O4 A I	Methanol	Manufacturing industrial fatty alcohols from coconut oil
66. ex 29.O8	Ethers, ether-alcohols and other products falling within heading 29.O8	Manufacturing products based on hydroquinone
67. ex 29.13 A	Hexafluorpropylenic acid	Manufacturing products based on hydrogen fluoride
68. 29.14 AIIa)	Acetic acid	Manufacturing vitamins from acetic anhydride
69. ex 29.44 A	Penicillin, impure (residues from sieving)	Manufacturing tablets of penicillin-V-potassium
70. ex 38.O7 B	Dipentene	Manufacturing anhydroperoxide of pinene, isobornylacetate, camphor or camphene from alpha-pinene
71. 38.O8 B	Rosin spirits and oils	Manufacturing rosin sodium soaps and rosin potassium
72. ex 38.19 A	Fusel oil	Manufacturing ethyl alcohol of an alcoholic strength of not less than 80 % vol from crude éthyl alcohol of molasses of an alcoholic strength of not less than 80 % vol
73. ex 38.19 X	Camphor oils	Manufacturing camphor from alpha-pinene
74. ex 38.19 X	Residues from freeing of caffeine (mixture of coffee wax, crude caffeine and water); crude caffeine	Freeing caffeine from coffee

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75.	ex 38.19 X Residues of calcined gypsum	Manufacturing hydrogen fluoride, fluorides and cryolite from fluorspar
76.	ex. 38.19 X Molasses, freed of sugar	Manufacturing citric acid from white sugar
77.	ex 38.19 X Sodium sulphate in solution	Manufacturing oxystearic acid from crude castor oil
78.	ex Chap. 39 Scrap and waste from working and processing	Any working or processing
79.	ex 40.04 Waste and parings of unhardened rubber fit only for the recovery of rubber	Any working or processing
80.	40.15 B Scrap, waste and powder of hardened rubber	Any working or processing
81.	41.01 Raw hides and skins	Skinning animals of chapter 1
82.	41.09 Parings and other waste, of leather or of composition or parchmentdressed leather, not suitable for the manufacture of articles of leather; leather dust, powder and flour	Any working or processing
83.	43.02 B Pieces or cuttings of furskins	Manufacturing furs
84.	ex Chap. 44 Wood waste and cuttings of wood, including sawdust	Any working or processing
85.	ex 45.01 Waste cork	Any working or processing
86.	47.02 Waste paper and paperboard; scrap articles of paper or of paperboard, fit only for use in paper-making	Any working or processing
87.	ex section XI Woven and knitted fabrics, finished (so-called "second choice goods") with evident faults)	Working and processing woven and knitted fabrics of all kinds
88.	50.03 Silk waste (including cocoons unsuitable for reeling, silk noils and pulled or garnetted rags)	Any working or processing
89.	53.03 Waste of sheep's or lambs' wool or of other animal hair (fine or coarse), not pulled or garnetted	Any working or processing

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90 . 53.04	Waste of sheep's or lambs' wool or of other animal hair (fine or coarse), pulled or garnetted (including pulled or garnetted rags)	Any working or processing
91 . ex 54.01	Flax tow and waste (including pulled or garnetted rags)	Any working or processing
92 . ex 54.02	Ramie noils and waste (including pulled or garnetted rags)	Any working or processing
93 . 55.03	Cotton waste (including pulled or garnetted rags), not carded or combed	Any working or processing
94 . ex 56.01	Acryl and viscose fibres (of inferior quality) with evident faults)	Manufacturing acryl and viscose textile fibres from naphtene or hydroquinene
95 . 56.03	Waste (including yarn waste and pulled or garnetted rags) of man-made fibres (continuous or discontinuous), not carded, combed or otherwise prepared for spinning	Any working or processing
96 . ex 57.01	Tow and waste of true hemp (including pulled or garnetted rags or ropes)	Any working or processing
97 . ex 57.02	Tow and waste of manila hemp (including pulled or garnetted rags or ropes)	Any working or processing
98 . ex 57.03	Tow and waste (including pulled or garnetted rags or ropes) falling under this tariff heading	Any working or processing
99 . ex 57.04	Waste of fibres (including pulled or garnettd rags or ropes) falling under this tariff heading	Any working or processing
100 . 63.02	Used or new rags, scrap twine, cordage, rope and cables and worn out articles of twine, cordage, rope or cables	Any working or processing
101 . 70.01 A	Waste glass (cullet)	Any working or processing
102 . 71.04	Dust and powder of natural or synthetic precious or semi-precious stones	Any working or processing

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103.	71.11	Goldsmiths', silversmiths' and jewellers' sweepings, residues, lemls, and other waste and scrap, of precious metal	Any working or processing
104.	ex 73.02 C	Residues from sieving ferro-silicium	Manufacturing silicium-tetra-chloride and silicium-dioxide
105.	73.03	Waste and scrap metal of iron or steel	Any working or processing
106.	ex 73.13 BI	Cuttings of steel, unalloyed, from the cutting of hot rolled wide strips	Manufacturing hot-rolled wide strip from ingots or lamitated brames of unalloyed steel
107.	ex 73.15 B	Recoverable cuttings from bars of alloyed steel	Manufacturing screws, bolts or nuts from bars of alloyed steel
108.	ex 73.15 B VII a)1	Cuttings of alloyed steel from the cutting of so-called "electrical" sheets	Manufacturing transformers from "electrical" sheets
109.	ex 73.15 B VII b)1	Cuttings of alloyed steel from the cutting of hot rolled wide strips	Manufacturing hot-rolled wide strip from ingots or laminated brames
110.	ex 74.01	Copper waste and scrap	Any working or processing
111.	ex 75.01	Nickel waste and scrap	Any working or processing
112.	76.01 B	Aluminium waste and scrap	Any working or processing
113.	77.01 B	Magnesium waste (excluding shaving of uniform size) and scrap	Any working or processing
114.	ex 77.04 A	Beryllium waste and scrap	Any working or processing
115.	78.01 B	Lead waste and scrap	Any working or processing
116.	ex 78.04 A I	Recoverable waste from lead foils coated on both sides	Manufacturing lead foils coated on both sides for photographic use from vinyl sheets and coating paper
117.	79.01 B	Zinc waste and scrap	Any working or processing
118.	ex 80.01	Tin waste and scrap	Any working or processing
119.	ex 81.01 A	Tungsten (wolfram) waste and scrap	Any working or processing
120.	ex 81.02 A	Molybdenum waste and scrap	Any working or processing
121.	ex 81.03 A	Tantalum waste and scrap	Any working or processing
122.	ex 81.04	Waste and scrap of other base metals	Any working or processing

