COM 1316

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(79) 476 final

Brussels, 7 September 1979

Proposal for a

COUNCIL REGULATION (EEC)

opening, allocating and providing for the administration of a Community tariff quota for wines of fresh grapes, falling within subheading ex 22.05 C of the Common Customs Tariff and originating in Cyprus (1980)

Proposal for a

COUNCIL REGULATION (EEC)

opening, allocating and providing for the administration of a Community tariff quota for liqueur wines, falling within subheading ex 22.05 C of the Common Customs Tariff and originating in Cyprus (1980)

(submitted to the Council by the Commission)

COM(79) 476 final

EXPLANATORY MEMORANDUM

1. Articles 5 and 6 of the supplementary Protocol, annexed to the Agreement EEC/Cyprus of 1973, provide for the opening of annual Community tariff quotas for the wines listed below originating in Cyprus;

   a) Wine of fresh grapes, other than liqueur wines, subheading ex 22.05 C of the CCT, 10.000 hl at duty rates of 3,6 ECU/hl and 4,2 ECU/hl.

   b) Liqueur wines, subheading ex 22.05 C of the CCT, 250.000 hl at duty rates of 4,0 ECU/hl, 5,0 ECU/hl, 6,1 ECU/hl and 6,9 ECU/hl.

   These wines remain subject to the provisions governing the common organization of the market in wine products, especially as regards observance of the reference price.

2. Consequently, the Community tariff quotas shown above should be opened for the period from 1. January to 31 December 1980.

3. The approval of these Regulations depends, however, on the entry into force of a Transitional Protocol on 1 January 1980 (to be annexed to the Association Agreement EEC (Cyprus).
   This Protocol ought to be negociated before the end of this year in order to extend the first stage of the abovementioned Agreement once more.

   Pending the outcome of the negociations, it is already necessary, for technical reasons, to submit proposals allowing the Community and Cyprus to maintain commercial relations. In order not to disturb the commercial flow of the goods in question the tariff quotas should be opened on 1 January 1980. In this case the first "whereas"-clause of each Regulation ought to be adapted consequently.

4. These Regulations provide for the splitting up of the tariff volumes into two parts, of which the first will be allocated among the Member States as quota share and the second will be kept as a reserve.

   In the absence of Community statistics, for a period sufficiently representative, the initial quota shares have been calculated on the basis of the possible demand on the markets of the various Member States and on the basis of forecasts made by some of them.

5. Because of the inherent particularities in the trade in wines which, additionally, are different from one Member State to another, the provisions of the Regulation for wines, exceptionnally, do not lay down a common method of administration to be applied by all Member States.

6. This is the subject of the two annexed proposals.

Proposal for a

COUNCIL REGULATION (EEC) No /79

of

opening, allocating and providing for the administration of a Community tariff quota for wines of fresh grapes, falling within subheading ex 22.05 C of the Common Customs Tariff and originating in Cyprus (1980)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 43 and 113 thereof,

Having regard to the proposal from the Commission ,

Having regard to the opinion of the European Parliament (1),

Whereas Article 5 of the supplementary Protocol to the Agreement establishing an association between the European Economic Community and the Republic of Cyprus (2) provides for the opening of an annual Community tariff quota of 10 000 hectolitres of certain wines of fresh grapes, in containers holding two litres or less, falling within subheading ex 22.05 C of the Common Customs Tariff and originating in Cyprus, at rates of customs duty equal to 25% of the customs duty in the Common Customs Tariff; whereas this Community tariff quota should be opened for 1980;

Whereas the wines in question are subject to compliance with the free-at-frontier reference price; whereas, in order for such wines to benefit from this tariff quota, Article 18 of Regulation (EEC) No 337/79 (3) must be complied with;

Whereas it is in particular necessary to ensure for all Community importers equal and uninterrupted access to the abovementioned quota and uninterrupted application of the rates laid down for that quota to all imports of the products concerned into all Member States until the quota has been used up; whereas, having regard to the above principles, the Community nature of the quota can be respected by allocating the Community tariff quota among the Member States; whereas, in order to reflect as accurately as possible the true trend of the market in the products in question, such allocation should be in proportion to the requirements of the Member States, calculated by reference to the statistics for imports of the products in question from Cyprus over a representative reference period and also to the economic outlook for the quota period concerned;

Whereas, however, neither Community nor national statistics showing the breakdown for each of the types of wine in question are available and no reliable estimates of future imports can be made; whereas, in these circumstances, the quota should be allocated in initial shares on the basis of the likely demand for these wines on the markets of the various Member States;

Whereas, in order to take into account import trends for the products concerned in the various Member States, the quota volume should be divided into two instalments, the first being shared among the Member States and the second constituting a reserve to cover at a later date the requirements of Member States which have used up their initial quota shares; whereas, in order to give importers in each Member State a certain degree of security, the first instalment of the

(1) OJ Nr. C ......

(2) OJ Nr. L 172, 28.6.1978, p. 2

(3) OJ Nr. L 54, 5.3.1979, P. 1

Community quota should, under the present circumstances, be fixed at 86% of the quota volume;

Whereas the Member States' initial shares may be used up at different times; whereas, in order to take this fact into account and avoid any break in continuity, any Member State which has 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 used up, and repeated as many times as the reserve allows; whereas the initial and additional shares must be valid until the end of the quota period; whereas this method of administration requires close cooperation between Member States and the Commission, and the latter must be in a position to monitor the extent to which the quota volume has been used up and to inform the Member States thereof;

Whereas, if at a given date in the quota period a substantial quantity of an initial share remains unused in any Member State, it is essential that that Member State should return a significant proportion to the reserve, to prevent a part of any Community 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 within and jointly represented by the Benelux Economic Union, any operation relating to the administration of the quota shares allocated to that economic union may be carried out by any one of its members,

HAS ADOPTED THIS REGULATION:

Article 1

1. From 1 January to 31 December 1980, Common Customs Tariff duties in respect of the following products originating in Cyprus shall be partially suspended at the levels shown below within the limits of a Community tariff quota of 10 000 hectolitres:

CCT heading No	Description	Rate of duty
22.05	Wine of fresh grapes; grape must with fermentation arrested by the addition of alcohol:	
	C. Other:	
	I. Of an actual alcoholic strength not exceeding 13% vol, in containers holding:	
	ex a) Two litres or less:	
	— Wine of fresh grapes	3.6 ECU/hl (1)
	II. Of an actual alcoholic strength exceeding 13% vol. but not exceeding 15% vol, in containers holding :	
	ex a) Two litres or less:	
	— Wine of fresh grapes other than liqueur wines of an actual alcoholic strength of 15% vol	4.2 ECU/hl (1)

(1) The exchange rate to be applied in converting into national currencies the ECU in which the customs duty is expressed shall be the representative rate applicable to wine, if such a rate is fixed for the purposes of the common agricultural policy.

2. The wines in question shall be subject to compliance with the free-at-frontier reference price.
In order for such wines to benefit from this tariff quota, Article 18 of Regulation (EEC) No 337/79 must be complied with.

Article 2

1. The Community tariff quota referred to in Article 1 shall be divided into two instalments.

2. The first instalment, amounting to 8 600 hectolitres, shall be allocated among the Member States; the shares, which subject to Article 5 shall be valid until 31 December 1980, shall be as follows (in hectolitres):

Benelux	280
Denmark	280
Germany	280
France	80
Ireland	600
Italy	80
United Kingdom	7 000

3. The second instalment amounting to 1 400 hectolitres shall constitute the reserve.

Article 3

1. If 90% or more of a Member State's initial share as specified in Article 2 (2), or 90% of that share minus the portion returned to the reserve where Article 5 is applied, has been used up, then to the extent permitted by the amount of the reserve, that Member State shall forthwith, by notifying the Commission, draw a second share equal to 15% of its initial share, rounded up where necessary to the next unit.

2. If, after one of its initial shares has been used up, 90% or more of the second share drawn by a Member State has been used up, then to the extent permitted by the amount of the reserve, that Member State shall, in accordance with the conditions laid down in paragraph 1, draw a third share equal to 7·5% of its initial share, rounded up where necessary to the next unit.

3. If, after its second share has been used up, 90% or more of the third share drawn by a Member State has been used up, that Member State shall, in accordance with the conditions laid down in paragraph 1, draw a fourth share equal to the third.

This process shall continue until the reserve is used up.

4. By way of derogation from paragraphs 1, 2 and 3, a Member State may draw shares smaller than those fixed in those paragraphs if there is reason to believe that those might not be used up. It shall inform the Commission of its reasons for applying this paragraph.

Article 4

The additional shares drawn pursuant to Article 3 shall be valid until 31 December 1980.

Article 5

Member States shall return to the reserve, not later than 1 October 1980 the unused portion of their initial share which, on 15 September 1980, is in excess of 20% of the initial volume. They may return a larger quantity if there are grounds for believing that it may not be used in full.

Each Member State shall, not later than 1 October 1980, notify the Commission of the total quantities of the products in question imported up to 15 September 1980 and charged against the Community quota, and of any quantities of the initial shares returned to the reserve.

Article 6

The Commission shall keep an account of the shares opened by the Member States in accordance with Articles 2 and 3 and shall, as soon as it is notified, inform each Member State of the extent to which the reserve has been used up.

It shall inform the Member States, not later than 5 October 1980, of the amount in the reserve after quantities have been returned pursuant to Article 5.

The Commission shall ensure that any drawing which uses up the reserve is limited to the balance available, and to this end shall indicate the amount thereof to the Member State which makes such last drawing.

Article 7

1. The Member States shall take all measures necessary to ensure that additional shares drawn pursuant to Article 3 are opened in such a way that imports may be charged without interruption against their accumulated shares of the Community quota.

2. The Member States shall ensure that importers of the products in question established in their territory have free access to the shares allocated to them.

3. The extent to which a Member State has used up its share shall be determined on the basis of imports of the products in question entered with the customs authorities for home use.

Article 8

At the request of the Commission, the Member States shall inform it of imports of the products concerned actually charged against their shares.

Article 9

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

Article 10

This Regulation shall enter into force on 1 January 1980.

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

Done at Brussels, .

For the Council

The President

COUNCIL REGULATION (EEC) No .../79

of ....

opening, allocating and providing for the administration of a Community tariff quota for liqueur wines, falling within subheading ex 22.05 C of the Common Customs Tariff and originating in Cyprus (1980)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 43 and 113 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament (1),

Whereas Article 6 of the supplementary Protocol to the Agreement establishing an association between the European Economic Community and the Republic of Cyprus (2) provides for the opening of an annual Community tariff quota of 250 000 hectolitres of liqueur wines, falling within subheading ex 22.05 C of the Common Customs Tariff and originating in Cyprus, at rates of customs duty equal to 30% of the Common Customs Tariff; whereas this Community tariff quota should be opened for 1980;

Whereas entry under the above Community tariff quota must be conditional on the wines being described as 'liqueur wines' in the V.I.1 document provided for in Regulation (EEC) No 2115/76 (3);

The wines in question are subject to compliance with the free-at-frontier reference price; whereas, in order for such to benefit from these tariff quotas, Article 18 of Regulation (EEC) No 337/79 (4) must be complied with;

Whereas it is in particular necessary to ensure for all Community importers equal and uninterrupted access to the abovementioned quota and uninterrupted application of the rates laid down for that quota to all imports of the products concerned into all Member States until the quota has been used up; whereas, having regard to the above principles, the Community nature of the quota can be respected by allocating the Community tariff quota among the Member States; whereas, in order to reflect as accurately as possible the true trend of the market in the products in question, such allocation should be in proportion to the requirements of the Member States, calculated by reference to the statistics for imports of the products in question from Cyprus over a representative reference period and also to the economic outlook for the quota period concerned;

Whereas, however, neither Community nor national statistics showing the breakdown for the products in question are available and no reliable estimates of future imports can be made; whereas, in these circumstances, the quota should be allocated in initial shares on the basis of the likely demand for these products on the markets of the various Member States;

Whereas, in order to take into account import trends for the products concerned in the various Member States, the quota volume should be divided into two instalments, the first being shared among the Member States and the second constituting a reserve to cover at a later date the requirements of Member States which have used up their initial quota shares; whereas, in order to give importers in each Member State a certain degree of security, the first instalment of the Community quota should, under present circumstances, be fixed at 85% of the quota volume;

Whereas the Member States' initial shares may be used up at different times; whereas, in order to take this fact into account and avoid any break in continuity, any Member State which has 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 used up, and repeated as many times as the reserve allows; whereas the initial and additional shares must be valid until the end of the quota period; whereas this method of administration requires close cooperation between

(1) OJ No C

(2) OJ No L 172, 28. 6. 1978, p. 2.
(3) OJ No L 237, 28. 8. 1976, p. 1.
(4) OJ No L 54, 5.3.1979, p. 1.

the Member States and the Commission, and the latter must be in a position to monitor the extent to which the quota volume has been used up and to inform the Member States thereof;

Whereas, if at a given date in the quota period a substantial quantity remains unused in any Member State, it is essential that that Member State should return a significant proportion to the reserve, to prevent a part of any Community 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 within and jointly represented by the Benelux Economic Union, any operation relating to the administration of the quota shares allocated to that economic union may be carried out by any one of its members,

HAS ADOPTED THIS REGULATION:

Article 1

1. From 1 January to 31 December 1980, Common Customs Tariff duties in respect of the following products originating in Cyprus shall be suspended at the levels shown below within the limits of a Community tariff quota of 250 000 hectolitres:

CCT heading No	Description	Rate of duty
22.05	Wine of fresh grapes; grape must with fermentation arrested by the addition of alcohol:	
	C. Other:	
	II. Of an actual alcoholic strength exceeding 13% vol but not exceeding 15% vol in containers holding:	
	ex a) Two litres or less:	
	— Liqueur wines of an actual alcoholic strength of 15% vol in containers holding	5,0 ECU/hl (1)
	ex b) More than two litres:	
	— Liqueur wines of an actual alcoholic strength of 15% vol	4,0 ECU/hl (1)
	III. Of an actual alcoholic strength exceeding 15% vol but not exceeding 18% vol in containers holding:	
	a) Two litres or less:	
	ex 2. Other:	
	— Liqueur wines	6,1 ECU/hl (1)
	b) More than two litres:	
	ex 3. Other:	
	— Liqueur wines	5,0 ECU/hl (1)
	IV. Of an actual alcoholic strength exceeding 18% vol but not exceeding 22% vol in containers holding:	
	a) Two litres or less:	
	ex 2. Other:	
	— Liqueur wines	6,9 ECU/hl (1)
	b) More than two litres:	
	ex 3. Other:	
	— Liqueur wines	6,9 ECU/hl (1)

(1) The exchange rate to be applied in converting into national currencies the ECU in which the customs duty is expressed shall be the representative rate applicable to wine, if such a rate is fixed for the purposes of the common agricultural policy.

2. The admission of these wines under the tariff quota shall be conditional on their being described in the V.I.1 document provided for in Regulation (EEC) No 2115/76 as 'liqueur wines'.

3. The wines in question shall be subject to compliance with the free-at-frontier reference price. In order for such to benefit from these tariff quotas, Article 18 of Regulation (EEC) No 337/79 must be complied with.

Article 2

1. The Community tariff quota referred to in Article 1 shall be divided into two instalments.

2. The first instalment, amounting to 213 040 hectolitres, shall be allocated among the Member States;

the shares, which subject to Article 5 shall be valid until 31 December 1980, shall be as follows (in hectolitres):

Benelux	3 000
Denmark	3 000
Germany	3 000
France	20
Ireland	4 000
Italy	20
United Kingdom	200 000

3. The second instalment amounting to 36 960 hectolitres shall constitute the reserve.

Article 3

1. If 90% or more of a Member State's initial share as specified in Article 2 (2), or 90% of that share minus the portion returned to the reserve where Article 5 is applied, has been used up, then to the extent permitted by the amount of the reserve that Member State shall forthwith, by notifying the Commission, draw a second share equal to 15% of its initial share, rounded up where necessary to the next unit.

2. If, after one of its initial shares has been used up, 90% or more of the second share drawn by a Member State has been used up, then, to the extent permitted by the amount of the reserve, that Member State shall, in accordance with the conditions laid down in paragraph 1, draw a third share equal to 7·5% of its initial share, rounded up where necessary to the next unit.

3. If, after its second share has been used up, 90% or more of the third share drawn by a Member State has been used up, that Member State shall, in accordance with the conditions laid down in paragraph 1, draw a fourth share equal to the third.

This process shall continue until the reserve is used up.

4. By way of derogation from paragraphs 1, 2 and 3, a Member State may draw shares smaller than those fixed in those paragraphs if there is reason to believe that those might not be used up. It shall inform the Commission of its reasons for applying this paragraph.

Article 4

The additional shares drawn pursuant to Article 3 shall be valid until 31 December 19 80.

Article 5

Member States shall return to the reserve, not later than 1 October 1980, the unused portion of their initial share which, on 15 September 1980, is in excess of 20% of the initial volume. They may return a larger quantity if there are grounds for believing that such portion may not be used in full.

Each Member State shall, not later than 1 October 1980, notify the Commission of the total quantities of the products in question imported up to 15 September 1980, and charged against the Community quota, and of any quantities of the initial shares returned to the reserve.

Article 6

The Commission shall keep an account of the shares opened by Member States in accordance with Articles 2 and 3 and shall, as soon as it is notified, inform each Member State of the extent to which the reserve has been used up.

It shall inform the Member States, not later than 5 October 1980, of the amount in the reserve after quantities have been returned pursuant to Article 5.

The Commission shall ensure that any drawing which uses up the reserve is limited to the balance available, and to this end shall indicate the amount thereof to the Member State which makes such last drawing.

Article 7

1. The Member States shall take all measures necessary to ensure that additional shares drawn pursuant to Article 3 are opened in such a way that imports may be charged without interruption against their accumulated shares of the Community quota.

2. The Member States shall ensure that importers of the products in question established in their territory have free access to the shares allocated to them.

3. The extent to which a Member State has used up its share shall be determined on the basis of imports of the products in question entered with the customs authorities for home use.

Article 8

At the request of the Commission, the Member States shall inform it of imports of the products concerned actually charged against their shares.

Article 9

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

Article 10

This Regulation shall enter into force on 1 January 1980.

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

Done at Brussels,

For the Council

The President