

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(76) 142 final

Brussels, 7 April 1976

Draft

## JOINT COMMITTEE DECISION

adding to Note 11 - Article 23 of Annex I of  
Protocol No. 3 concerning the definition of the  
concept of "originating products" and methods  
of administrative co-operation

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(submitted to the Council by the Commission)

COM(76) 142 final



NOTE FROM THE COMMISSION TO THE COUNCIL

Article 23 of Protocol No 3 of the Agreements EEC-EFTA, modified by Decision No 1/75 of the EEC-EFTA Joint Committees, stipulates that products of the kind covered by the Agreements used in the manufacture of products destined to benefit from the preferences provided by the Agreements, may not be the subject of "drawback or remission of any kind", unless we are concerned with "originating products".

The expression "used in manufacture" has caused some difficulties of interpretation because given the absence of any precision one may limit this expression and thus the application of Article 23 to the products actually "physically" used in the final product. But, the procedures laid down, especially in the Community, governing the use of third country products under suspension of customs duties (called "inward processing" in the Community) allows for in certain cases and under certain conditions the use of an equivalent Community product in replacement of the third country product under consideration.

It follows that an interpretation limiting the concept of products "used in manufacture" to those products "physically" incorporated allows third country products replaced by Community products to avoid the application of the rule in Article 23.

The annexed draft decision is therefore intended to clarify the situation in this respect.

It is proposed that the Council adopts this draft as the common position of the Community for the various EEC-EFTA Joint Committees. It has been prepared for the EEC-Austria Agreement, and is in such a form that it can be used as it stands for all the other EEC-EFTA Agreements.



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JOINT COMMITTEE DECISION

adding to Note 11 - Article 23 of Annex I  
of Protocol No 3 concerning the definition of  
the concept of "originating products" and  
methods of administrative co-operation

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THE JOINT COMMITTEE,

Having regard to the Agreement between the European Economic Community  
and the Republic of Austria signed on 22 July 1972 in Brussels,

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

Whereas it is expedient to clarify the meaning of the expression  
"products used in manufacture" used in Article 23 of Protocol No 3,

HAS DECIDED AS FOLLOWS :

Sole Article

Note 11 - Article 23 of Annex I of Protocol No 3 shall be amended  
by the addition of the new sub-paragraph as follows :

.../...

"Products used in manufacture" shall mean any products in respect of which "drawback or remission of any kind granted from customs duties" is authorized in view of the export of originating products for which a certificate EUR.1 is issued or a form EUR.2 is made out."

The Secretaries

Done at Brussels

For the Joint Committee

The President