

~~CONFIDENTIAL~~ COM/67

COMMISSION OF THE EUROPEAN COMMUNITIES

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COM(78) 296 final
Brussels, 23 June 1978

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Proposal for a
COUNCIL REGULATION (EEC)

derogating for certain products coming from Malta from the Protocol concerning the definition of the concept of "originating products" and methods of administrative cooperation to the Agreement establishing an association between the European Economic Community and Malta.



(submitted by the Commission to the Council)

COM(78) 296 final



EXPLANATORY NOTE

In 1977 the Community agreed to give the Maltese temporary derogations to the rules of origin taking into account the loss of Commonwealth preference and the consequent change in origin rules for Intermediate Frequency transformers (IFTs), radios and tape recorders. These derogations currently set out in the Additional Protocol to the Agreement establishing an Association between the EEC and Malta signed on 27 October 77 are valid up to 30 June 1978. The Maltese have not yet managed to complete their arrangements for finding alternative sources of supply or to change their manufacturing process and have requested a prolongation of these derogations.

Evidence has been produced in the case of IFTs to show that new machinery for the manufacture of components for IFTs has been ordered, and in some cases is installed and operational, so that some IFTs that needed the derogation now fully comply with the rules of origin and so that the rest of the production will be originating by the end of 1978.

In the case of radios and tape recorders the Maltese have produced evidence that they have examined transistors (or equivalents) originating in the Community and have selected some types for trial purposes. These trials are not yet complete and some time would then be needed to incorporate new transistors into the production process.

In view of the fact that the derogations currently in force expire on 30.6.1978 it will not be possible in the time available to extend them by means of Decision of the Council of Association. The purpose of this draft Regulation is accordingly to grant those derogations autonomously for the period 1.7.1978 to 31.12.1978.

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derogating for certain products coming from Malta from the Protocol concerning the definition of the concept of "originating products" and methods of administrative cooperation to the Agreement establishing an association between the European Economic Community and Malta

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 proposal from the Commission,

Whereas an Agreement establishing an association between the European Economic Community and the Republic of Malta⁽¹⁾, hereinafter called the Agreement, was signed at Valletta on 5 December 1970 and entered into force on 1 April 1971;

Whereas a Protocol laying down certain provisions relating to the Agreement⁽²⁾ was signed in Brussels on 4 March 1976 and entered into force on 1 June 1976; whereas there is annexed thereto a Protocol concerning the definition of the concept of "originating products" and methods of administrative cooperation hereinafter called the Origin Protocol;

Whereas Article 10 of the Additional Protocol to the Agreement⁽³⁾ was signed in Brussels on 27 October 1977 and entered into force on 1 January 1978, derogated from the Origin Protocol for Intermediate Frequency Transformers, radios and tape recorders up to 30 June 1978;

(1) OJ N° L 61, 14.3.71, p. 1

(2) OJ N° L 111, 28.4.76, p. 3

(3) OJ N° L 304, 29.11.77, p. 2

Whereas the Government of the Republic of Malta have formally requested that these derogations be extended;

Whereas it is desirable that the derogation should be granted for a further period of six months,

HAS ADOPTED THIS REGULATION

Article 1

1. By way of derogation from the special provisions in Annex II to the Origin Protocol for heading N° 85.15 to the effect that at least 50 % in value of the materials and parts used shall be originating products, intermediate frequency transformers manufactured in Malta shall be regarded as products originating in Malta even though this condition is not observed, provided that the other conditions relating to this heading are satisfied.

The following entry shall be made in box 7 of movement certificates EUR 1 issued in respect of originating products pursuant to the derogation referred to in this paragraph :

"Derogation IFT"

2. By way of derogation from the special provisions in Annex II to the Origin Protocol for heading N° 85.15 to the effect that non-originating transistors may not represent more than 3 % of the value of the finished product, reception apparatus manufactured in Malta shall be regarded as a product originating in Malta even though this condition is not observed, provided that the other conditions relating to this heading are satisfied.

The following entry shall be made in box 7 of movement certificates EUR 1 issued in respect of originating products pursuant to the derogation referred to in this paragraph :

"Derogation radios"

3. By way of derogation from the special provisions in Annex II to the origin Protocol for heading N° 92.11 to the effect that non-originating transistors may not represent more than 3 % of the value of the finished product, tape recorders manufactured in Malta shall be regarded as products originating in Malta if the value of the non-originating transistors does not exceed 5 % of the value of the finished product, provided that the other conditions relating to this heading are satisfied.

The following entry shall be made in box 7 of movement certificates EUR 1 issued in respect of originating products pursuant to the derogation referred to in this paragraph :

"Derogation tape recorders"

Article 2

This Regulation shall enter into force on the third day following its publication in the Official Journal of the European Communities. It shall apply with effect from 1 July 1978 until 31 December 1978.

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

Done at Brussels,

For the Council

The President