



COMMISSION OF THE EUROPEAN COMMUNITIES

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2001/0201 (ACC)

Proposal for a

COUNCIL REGULATION

on certain procedures for applying the Stabilisation and Association Agreement between the European Communities and their Member States, of the one side, and the Republic of Croatia, of the other side and for applying the Interim Agreement between the European Community and the Republic of Croatia

(presented by the Commission)

EXPLANATORY MEMORANDUM

A Stabilisation and Association Agreement between the European Communities and their Member States and the Republic of Croatia (hereinafter the "SAA")¹ has been initialled on 14 May 2001 and is expected to be signed in October 2001. The ratification by national Parliaments and the assent of the European Parliament will then be needed for its entry into force.

Therefore, pending the entry into force of the SAA, an Interim Agreement between the European Community and the Republic of Croatia², covering the trade and trade-related provisions of the SAA, has been initialled on 10 July 2001. The Agreement is expected to be concluded during the autumn of 2001. The Interim Agreement and the Council decision for conclusion provide for provisional application as of 1 January 2002.

Under the SAA and the Interim Agreement certain products originating in the Republic of Croatia, notably "baby beef" and some fisheries products, may be imported into the Community, within the limits of tariff quotas, at a reduced or zero rate of customs duty. It is therefore necessary to confer on the Commission the power to adopt the necessary detailed rules on implementation for the opening and application of these tariff concessions.

Furthermore, since within the framework of the agreed tariff concessions preferential duty rates are phased out progressively, there is a need to lay down specific provisions on tariff reductions and management of tariff quotas.

This draft regulation therefore includes the necessary provisions for the initial application of the Interim Agreement, and thereafter the SAA when it comes into force. It will become applicable on the date of provisional application or entry into force of the Interim Agreement.

In the light of the above, the Commission proposes that the Council:

- adopts the enclosed proposal for a Regulation on certain procedures for applying the Stabilisation and Association Agreement between the European Communities and their Member States, of the one side, and the Republic of Croatia, of the other side and for applying the Interim Agreement between the European Community and the Republic of Croatia.

¹ COM (2001)371 of 9 July 2001

² COM (2001)429 of 24 July 2001

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 133 thereof,

Having regard to the proposal from the Commission³,

Whereas:

- (1) The Council is in the process of concluding a Stabilisation and Association Agreement between the European Communities and their Member States, on one side, and the Republic of Croatia, on the other side⁴, which was signed at .. on .. (hereinafter referred to as "the Stabilisation and Association Agreement").
- (2) Meanwhile on .. the Council has also concluded an Interim Agreement between the European Community and the Republic of Croatia⁵ which will provide for the early entry into force of the trade and trade-related provisions of the Stabilisation and Association Agreement (hereinafter referred to as the "Interim Agreement").
- (3) It is necessary to lay down the procedures for the application of certain provisions of these Agreements.
- (4) The Stabilisation and Association Agreement and the Interim Agreement stipulate that certain products originating in the Republic of Croatia may be imported into the Community, within the limits of tariff quotas, at a reduced or zero rate of customs duty. It is therefore necessary to lay down provisions for the calculation of the reduced rates of customs duties.
- (5) The Stabilisation and Association Agreement and the Interim Agreement already specify the products eligible for those tariff measures, the relevant volumes (and increases thereof), the applicable duties, periods of application and any eligibility criteria.

³ OJ C , , p. .

⁴ Council Decision ... of ... OJ...

⁵ Council Decision ... of ... OJ...

- (6) Council or Commission Decisions amending the Combined Nomenclature and Taric codes do not entail any substantive changes.
- (7) In the interest of simplicity and of timely publication of regulations implementing Community tariff quotas, provision should be made for the Commission, assisted by the Committee set up by Article 248a of Council Regulation (EEC) No 2913/92 of 12 October 1992 establishing the Community Customs Code⁶, to adopt the regulations opening and providing for the administration of the tariff quotas for fishery products. The Commission should adopt, assisted by the Committee provided for in Article 42 of Council Regulation (EC) No 1254/1999 of 17 May 1999 on the common organisation of the market in beef and veal⁷, the regulations opening up and providing for the administration of the tariff quotas for “baby beef” products.
- (8) Duties should be totally suspended where preferential treatment results in *ad valorem* duties of 1% or less, or in specific duties of EUR 1 or less.
- (9) This regulation should be applied upon the entry into force or provisional application of the Interim Agreement and will remain in application upon the entry into force of the Stabilisation and Association Agreement.
- (10) The measures necessary for the implementation of this Regulation should be adopted in accordance with Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission⁸.

HAS ADOPTED THIS REGULATION:

Article 1
Subject matter

The Council hereby sets down certain procedures for the adoption of detailed rules for the implementation of certain provisions of the Stabilisation and Association Agreement between the European Communities and their Member States, of the one side, and the Republic of Croatia, of the other side (hereinafter referred to as the “Stabilisation and Association Agreement”) and the Interim Agreement between the European Community and the Republic of Croatia (hereinafter referred to as the “Interim Agreement”).

Article 2
Concessions on baby-beef

Detailed rules for the implementation of Article 14.2 of the Interim Agreement, and thereafter Article 27.2 of the Stabilisation and Association Agreement, concerning the tariff quota for “baby-beef” products shall be adopted by the Commission in accordance with the procedure referred to in Article 3.

⁶ OJ L 302, 19.10.1992, p. 1. Regulation as last amended by Regulation (EC) No 2700/2000 (OJ L 311, 12.12.2000, p. 17).

⁷ OJ L 160, 26.6.1999, p. 21.

⁸ OJ L 184, 17.7.1999, p. 23.

Article 3
Applicable procedure

1. The Commission shall be assisted by the Committee provided for in Article 42 of Council Regulation (EC) N°1254/1999.
2. Where reference is made to this paragraph, Articles 4 and 7 of Council Decision 1999/468/EC shall apply.
3. The period laid down in Article 4(3) of Council Decision 1999/468/EC shall be set at one month.

Article 4
Concessions on fishery products

Detailed rules for the implementation of Article 15.1 of the Interim Agreement, and thereafter Article 28.1 of the Stabilisation and Association Agreement, concerning the tariff quotas for fish and fishery products listed in Annex Va of both Agreements, shall be adopted by the Commission in accordance with the procedure set out in Article 5.

Article 5
Applicable procedure

1. The Commission shall be assisted by the Customs Code Committee set up by Article 248a of Council Regulation (EEC) No 2913/92.
2. Where reference is made to this paragraph, Articles 4 and 7 of Council Decision 1999/468/EC shall apply.
3. The period laid down in Article 4(3) of Council Decision 1999/468/EC shall be set at three months.

Article 6
Tariff reductions

1. Subject to paragraph 2, rates of preferential duty shall be rounded down to the first decimal place.
2. Where the result of calculating the rate of preferential duty in application of paragraph 1 is one of the following, the preferential rate shall be considered a full exemption:
 - a) 1% or less in the case of *ad valorem* duties,
 - or
 - b) EUR 1 or less per individual amount in the case of specific duties.

Article 7
Technical adaptations

Amendments and technical adaptations to the detailed rules on implementation adopted pursuant to this Regulation, which are necessary following changes to the Combined Nomenclature codes and to the Taric-subdivisions or arising from the conclusion of new agreements, protocols, exchanges of letters or other acts between the Community and Croatia, shall be adopted in accordance with the procedures set out in Article 3 and Article 5 of this Regulation.

Article 8
Application and entry into force

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Communities*.

This Regulation shall be applicable from the date of entry into force or the date of provisional application of the Interim Agreement. That date will be published in the *Official Journal of the European Communities*.

Done at Brussels,

For the Council
The President