



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 23.06.2005
COM(2005) 270 final

2005/0114 (ACC)

Proposal for a

COUNCIL DECISION

**on the conclusion of an agreement between the European Community and the
Government of Ukraine on trade in certain steel products**

(presented by the Commission)

EXPLANATORY MEMORANDUM

1) CONTEXT OF THE PROPOSAL

- **Grounds for and objectives of the proposal**

The Community's Partnership and Cooperation Agreement with Ukraine provides that trade in certain steel products must be the subject of an Agreement between the Parties.

- **General context**

An earlier Agreement on trade between the Community and Ukraine in certain steel products covered the period up to 31 December 2004. By its Decision of 2 November 2004, the Council authorised the Commission to negotiate a new Agreement for the period 2005-2006. Negotiations leading to the new Agreement have been completed successfully. That new Agreement sets quantitative limits for imports into the Community of certain steel products and will apply from the date of entry into force until 31 December 2006 or until Ukraine's accession to the WTO, whichever date is earlier.

- **Existing provisions in the area of the proposal**

There are no existing provisions in the area of the proposal.

- **Consistency with other policies and objectives of the Union**

Not applicable.

2) CONSULTATION OF INTERESTED PARTIES AND IMPACT ASSESSMENT

- **Consultation of interested parties**

The legal basis of the agreement is Article 133 together with Article 300(2) of the Treaty. No consultation of third parties is formally required.

- **Collection and use of expertise**

There was no need for external expertise.

- **Impact assessment**

Possible impacts were assessed for the preparation of the negotiating mandate. That analysis took into account the experience gained through similar agreements or equivalent autonomous measures in force since several years. The interest of interested parties has been taken into account.

3) LEGAL ELEMENTS OF THE PROPOSAL

- **Summary of the proposed action**

Conclusion of a bilateral agreement on trade in certain steel products between the EC and Ukraine

- **Legal basis**

Article 133 + Article 300(2) of the Treaty establishing the EC

- **Subsidiarity principle**

The proposal falls under the exclusive competence of the Community. The subsidiarity principle therefore does not apply.

- **Proportionality principle**

The proposal complies with the proportionality principle for the following reason(s).

Import of steel products covered by this Council Decision are subject to a quota and to an import authorization. EU importers apply for the necessary import authorization to the an EU competent authority. The competent authority checks the conformity of the documentation submitted by the applicant and verifies electronically with a central data base that the required quantities are available and then releases the import authorization. The implementing mechanism is designed to minimize the number of intervening parties. The system is thus rather light, with very limited levels involved and no involvement from the Commission services.

Similar international agreements have been concluded since several years. The absence of request for modifications by all the parties involved may be interpreted as confirming that operators and national administrations see the system as reasonably light.

- **Choice of instruments**

Proposed instruments: other.

Other means would not be adequate for the following reason(s).

There is no other way to conclude an international trade agreement.

4) BUDGETARY IMPLICATION

The proposal has no implication for the Community budget.

5) **ADDITIONAL INFORMATION**

- **Review/revision/sunset clause**

The proposal includes a review clause.

The proposal includes a revision clause.

The proposal includes a sunset clause.

Proposal for a

COUNCIL DECISION

on the conclusion of an agreement between the European Community and the Government of Ukraine on trade in certain steel products

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 133, in conjunction with Article 300(2) thereof,

Having regard to the proposal from the Commission,¹

Whereas:

- (1) The Partnership and Cooperation Agreement establishing a partnership between the European Communities and their Member States, of the one part, and Ukraine, of the other part 2, entered into force on 1 March 1998.
- (2) Article 22(1) of the Partnership and Cooperation Agreement provides that trade in certain steel products shall be governed by Title III, save for Article 14 thereof, and by the provisions of an Agreement.
- (3) For the years 1995-2001, trade in certain steel products was the subject of agreements between the Parties, and in 2002, 2003 and up to 19 November 2004 of specific arrangements. A further Agreement was concluded on 19 November 2004 covering the period up to 31 December 2004. A new Agreement covering the period up to 31 December 2006 has been concluded between the Parties.
- (4) The Agreement should be approved,

HAS DECIDED AS FOLLOWS:

Article 1

1. The Agreement between the European Community and the Government of Ukraine concerning trade in certain steel products is hereby approved on behalf of the Community.
2. The text of the Agreement is attached to this Decision.

¹ OJ C [...] [...], p. [...]

² OJ L 49, 19.2.1998, p. 3

Article 2

The President of the Council is hereby authorised to designate the person(s) empowered to sign the Agreement in order to bind the Community.

Done at Brussels,

*For the Council
The President*

ANNEX
AGREEMENT

between the European Community and the Government of Ukraine on trade in certain steel products

THE EUROPEAN COMMUNITY, hereinafter referred to as “the Community”,

of the one part, and

THE GOVERNMENT OF UKRAINE,

of the other part,

together referred to as “the Parties”,

Whereas the Partnership and Cooperation Agreement establishing a partnership between the European Communities and their Member States, of the one part, and Ukraine, of the other part, hereinafter referred to as “the PCA”, entered into force on 1 March 1998;

Whereas the Parties are desirous to promote the orderly and equitable development of trade in steel between them;

Whereas Article 22(1) of the PCA provides that trade in certain steel products shall be governed by Title III with the exception of Article 14 thereof, and by the provisions of an agreement on quantitative arrangements; whereas this Agreement constitutes the agreement referred to in Article 22(1) of the PCA;

Bearing in mind the process of accession of Ukraine to the World Trade Organisation (WTO) and the Community support for the integration of Ukraine into the international trading system;

Whereas for the years 1995-2001 trade in certain steel products was the subject of Agreements between the Parties, in 2002, 2003 and 2004 of specific arrangements and as from November 2004 of an Agreement which is therefore appropriate to replace with a further Agreement;

Whereas the Parties reiterate their commitment to achieve as soon as the conditions are fulfilled complete liberalisation of trade in respect of the steel products covered by this Agreement;

Whereas this Agreement should be accompanied by cooperation between the Parties in respect of their steel industries, including appropriate exchanges of information, within a contact group on coal and steel as foreseen in Article 22(2) to the PCA,

HAVE AGREED AS FOLLOWS:

Article 1

1. This Agreement applies to trade in the steel products set out in Annex I to this Agreement originating within the Parties.
2. Trade in steel products set out in Annex II may be subject to quantitative limits.
3. Trade in steel products not set out in Annex II shall not be subject to quantitative limits.
4. In the case of steel products and of subject matters which are not covered by this Agreement, the relevant provisions of the PCA shall apply.

Article 2

1. The Parties agree to establish and maintain for the period of validity of the present Agreement quantitative arrangements fixing the limits set out in Annex III of this Agreement on Ukrainian exports to the Community of the products set out in Annex II . Such exports shall be subject to a double-checking system as specified in Protocol A.
2. The Parties reiterate their commitment to achieve complete liberalisation of trade in respect of the steel products set out in Annex II as soon as the conditions have been established.
3. The Parties agree that imports into the Community from Ukraine of the steel products set out in Annex II as from 1 January 2005 until the entry into force of this Agreement shall be deducted from the quantitative limits set out in Annex III .
4. Imports of quantities in excess of those mentioned in Annex III shall be authorised where the Community industry is unable to meet the internal demand and results in a shortage of supply for one or more products listed in Annex II . Consultations shall take place immediately at the request of either Party to determine the level of the shortage on the basis of objective evidence. Following the conclusions of the consultations, the Community shall instigate its internal procedures to increase the quantitative limits set out in Annex III .
5. Each Party may, at any time, request consultations concerning :
 - the levels of the quantitative limits set out in Annex III , where the conditions in respect of the products covered by Annex II have substantially deteriorated or improved;
 - the possibility of transferring unused amounts set out in Annex III from under-utilised product groups to other groups.

Article 3

1. Imports into the customs territory of the Community for free circulation of the products set out in Annex II shall be subject to the presentation of an import

authorization issued by the competent authority of a Member State based on the production of an export licence issued by the authorities of Ukraine and to proof of origin in accordance with the provisions of Protocol A.

2. Imports into the customs territory of the Community of the products set out in Annex II shall not be subject to the quantitative limits set out in Annex III provided they are declared to be for re-export outside the Community in the same state or after processing, within the administrative system of control which exists within the Community.
3. Carry-over to the corresponding quantitative limits for the following calendar year of the amounts of quantitative limits not used during any calendar year is authorized up to 10% of the relevant quantitative limit set out in Annex III for a product group in question for the year in which it was not used. Ukraine shall notify the Community no later than 31 March of the following year if it intends to make use of this provision.
4. Up to 15% of the quantitative limit for a given product group may be transferred to one or more other groups subject to the consent of both Parties. The quantitative limit for a given product group can be adjusted once in the course of a calendar year. Any adjustments to the quantitative limits resulting from transfers shall only affect the calendar year in progress. At the start of the following calendar year, the quantitative limits shall be those shown at Annex III, without prejudice to the provisions of paragraph 3 above. Ukraine shall notify the Community no later than 31 May if it intends to make use of this provision.

Article 4

1. With a view to rendering the double-checking system as effective as possible and to minimize the possibilities for abuse and circumvention:
 - the Community authorities shall inform the Ukrainian authorities by the 28th of each month of the import authorizations issued during the preceding month;
 - the Ukrainian authorities shall inform the Community by the 28th of each month of the export licences issued during the preceding month.
2. In the event of any significant discrepancy taking account of the time factors involved in respect of such information either Party may request consultations which shall be opened immediately.
3. Without prejudice to paragraph 1 and with a view to ensuring the effective functioning of this Agreement, the Parties agree to take all necessary steps to prevent, to investigate and to take any necessary legal and/or administration action against circumvention, notably by transshipment, re-routing, false declaration concerning the country or place of origin, falsification of documents, false declaration concerning quantities, description or classification of merchandise. Accordingly, the Parties agree to establish the necessary legal provisions and administrative procedures permitting effective action to be taken against such

circumvention, which shall include the adoption of legally binding corrective measures against exporters and/or importers involved.

4. Should either Party believe on the basis of information available that this Agreement is being circumvented, it may request consultations with the other Party which shall be held immediately.
5. Pending the results of the consultations referred to in paragraph 3, the Government of Ukraine shall, as a precautionary measure, and if so requested by the Community, take all necessary measures to ensure that, where sufficient evidence of circumvention is provided, adjustments of the quantitative limits liable to be agreed following the consultations referred to in paragraph 3, shall be carried out for the calendar year in which the request for consultations under paragraph 3 was made, or for the following year, if the limit for that calendar year is exhausted.
6. Should the Parties be unable in the course of the consultations referred to in paragraph 3 to reach a mutually satisfactory solution, the Community shall have the right, where there is sufficient evidence that steel products covered by this Agreement originating in Ukraine have been imported in circumvention of this Agreement, to set off the relevant quantities against the quantitative limits established under Annex III .
7. Should the Parties be unable in the course of the consultations referred to in paragraph 3 to reach a mutually satisfactory solution, the Community shall have the right, where sufficient evidence shows false declaration concerning quantities description or classification has occurred, to refuse to import the products in question.
8. The Parties agree to cooperate fully to prevent and to address effectively all problems arising from circumvention of this Agreement.

Article 5

1. The quantitative limits established under this Agreement on imports into the Community of products set out in Annex II shall not be broken down by the Community into regional shares.
2. The Parties shall cooperate in order to prevent sudden and prejudicial changes in traditional trade flows into the Community. Should a sudden and prejudicial change in traditional trade flows arise (including regional concentration or the loss of traditional customers), the Community will be entitled to request consultations in order to find a satisfactory solution to the problem. Such consultations shall be held immediately.
3. Ukraine shall endeavour to ensure that exports into the Community of products set out in Annex II are spaced out as evenly as possible over the year. Should a sudden and prejudicial surge of imports arise, the Community will be entitled to request consultations in order to find a satisfactory solution to the problem. Such consultations shall be held immediately.

4. In addition to the obligation contained in paragraph 3, and without prejudice to the consultations foreseen by Article 2 (5), where licences issued by the Ukrainian authorities have reached 90% of the quantitative limits for the calendar year in question, either Party may request consultations. Such consultations shall be held immediately. Pending the outcome of such consultations the Ukrainian authorities may continue to issue export licences for the products set out in Annex II provided they do not exceed the quantities set out in Annex III .

Article 6

1. Where any product set out in Annex II is being imported into the Community from Ukraine under such conditions as to cause or threaten to cause substantial injury to Community producers of like products, the Community shall supply Ukraine with all relevant information with a view to seeking a solution acceptable to both Parties. The Parties shall commence consultations promptly.
2. Should the consultations referred to in paragraph 1 fail to lead to agreement within 30 days of the Community's request for consultations, the Community may utilise the right to take action concerning safeguard measures pursuant to the provisions of the Partnership and Cooperation Agreement.
3. Notwithstanding the provisions of this Agreement, the provisions of Article 19 of the Partnership and Cooperation Agreement shall apply.

Article 7

1. The classification of the products covered by this Agreement is based on the tariff and statistical nomenclature of the Community hereinafter called the “combined nomenclature”, or in abbreviated form “CN”. Any amendment to the combined nomenclature made in accordance with the procedures in force in the Community concerning the products set out in Annex II or any decision relating to the classification of goods shall not have the effect of reducing the quantitative limits of the products set out Annex III .
2. The origin of the products covered by this Agreement shall be determined in accordance with the rules in force in the Community. Any amendment to these rules of origin shall be communicated to the Government of Ukraine and shall not have the effect of reducing the quantitative limits of this Agreement. The procedures for control of the origin of the products referred to above are laid down in Protocol A.

Article 8

1. Without prejudice to the periodic exchange of information on export licences and import authorizations pursuant to Article 4 (1), the Parties agree to exchange available statistical information relating to trade in the products set out in Annex II at appropriate intervals, taking account of the shortest periods in which the information in question is prepared, which shall cover export licences and import authorizations issued pursuant to Article 3 and import and export statistics in respect of the products in question.

2. Either Party may request consultations in the event of any significant discrepancy between the information exchanged.

Article 9

1. Without prejudice to provisions concerning consultations provided for in respect of specific circumstances in preceding Articles, consultations shall be held on any problems arising from the application of this Agreement at the request of either Party. Any consultations shall take place in a spirit of cooperation and with a desire to reconcile the differences between the Parties.
2. Where this Agreement provides that consultations shall be held immediately, the Parties undertake to use all reasonable means to ensure that this is achieved.
3. All other consultations shall be governed by the following provisions:
 - - any request for consultations shall be notified in writing to the other Party,
 - - where appropriate, the request shall be followed within a reasonable period by a report setting out the reasons for the consultations,
 - - consultations shall begin within one month from the date of receipt of the request,
 - - consultations shall endeavour to arrive at a mutually acceptable result within one month of their commencement, unless the period is extended by agreement between the Parties.

Article 10

1. This Agreement shall enter into force on the date of its signature. It shall be applicable until 31 December 2006 subject to any modifications agreed by the Parties and unless it is denounced or terminated in accordance with, respectively, the provisions of paragraphs 3 or 4.
2. Either Party may at any time propose modifications to this Agreement which shall require the mutual consent of the Parties and take effect as agreed by them.
3. Either Party may denounce this Agreement, provided that at least six months' notice is given. In that event, the Agreement shall come to an end on the expiry of the period of notice and the limits established by this Agreement shall be reduced on a pro rata basis up to the date on which denunciation takes effect unless the Parties decide otherwise.
4. In the event that Ukraine accedes to the World Trade Organisation (WTO) before the expiration of this Agreement, the Agreement shall be terminated and the quantitative limits shall be abolished as of the date of accession.
5. The Community reserves the right at all times to take all appropriate measures including, where the Parties are unable to reach a mutually satisfactory solution in

the consultations foreseen in previous Articles or where this Agreement is denounced by either Party, the reintroduction of a system of autonomous quotas in respect of exports from Ukraine of the products mentioned in Annex II .

6. Annexes I, II and III , declarations 1, 2, 3 and 4, the agreed minute and Protocol A attached to this Agreement shall form an integral part thereof.

Article 11

This Agreement shall be drawn up in duplicate in the Czech, Danish, Dutch, English, Estonian, Finnish, French, German, Greek, Hungarian, Italian, Latvian, Lithuanian, Maltese, Polish, Portuguese, Slovak, Slovenian, Spanish, Swedish and Ukrainian languages, each of these texts being equally authentic.

Done at on.....

For the European Community

For the Government of Ukraine

ANNEX I

7201 10 11 00	7208 39 00 90	7211 19 00 10	7216 31 10 90	7221 00 10 00	7228 10 20 00
7201 10 19 00	7208 40 00 10	7211 19 00 90	7216 31 90 00	7221 00 90 00	7228 20 10 10
7201 10 30 00	7208 40 00 90	7211 23 20 10	7216 32 11 00		7228 20 10 91
7201 10 90 00	7208 51 20 10	7211 23 30 10	7216 32 19 00	7222 11 11 00	7228 20 91 10
7201 20 00 00	7208 51 20 91	7211 23 30 91	7216 32 91 00	7222 11 19 00	7228 20 91 90
7201 50 10 00	7208 51 20 93	7211 23 80 10	7216 32 99 00	7222 11 81 00	7228 30 20 00
7201 50 90 00	7208 51 20 97	7211 23 80 91	7216 33 10 00	7222 11 89 00	7228 30 41 00
	7208 51 20 98	7211 29 00 10	7216 33 90 00	7222 19 10 00	7228 30 49 00
7202 11 20 00	7208 51 91 00	7211 90 00 11	7216 40 10 00	7222 19 90 00	7228 30 61 00
7202 11 80 00	7208 51 98 10		7216 40 90 00	7222 30 97 10	7228 30 69 00
7202 99 10 10	7208 51 98 91	7212 10 10 00	7216 50 10 00	7222 40 10 00	7228 30 70 00
	7208 51 98 99	7212 10 90 11	7216 50 91 00	7222 40 90 10	7228 30 89 00
7203 10 00 00	7208 52 10 00	7212 20 00 11	7216 50 99 00		7228 60 20 10
7203 90 00 00	7208 52 91 00	7212 30 00 11	7216 99 00 10	7224 10 00 00	7228 60 80 10
	7208 52 99 00	7212 40 20 10		7224 90 02 00	7228 70 10 00
7204 10 00 00	7208 53 10 00	7212 40 20 91	7218 10 00 00	7224 90 03 00	7228 70 90 10
7204 21 10 00	7208 53 90 00	7212 40 80 11	7218 91 10 00	7224 90 05 00	7228 80 00 10
7204 21 90 00	7208 54 00 00	7212 50 20 11	7218 91 80 00	7224 90 07 00	7228 80 00 90
7204 29 00 00	7208 90 00 10	7212 50 30 11	7218 99 11 00		
7204 30 00 00		7212 50 40 11	7218 99 20 00	7224 90 14 00	7301 10 00 00
7204 41 10 00	7209 15 00 00	7212 50 61 11			
7204 41 91 00	7209 16 10 00	7212 50 69 11	7219 11 00 00	7224 90 31 00	7302 10 21 00
7204 41 99 00	7209 16 90 00	7212 50 90 13	7219 12 10 00	7224 90 38 00	7302 10 23 00
7204 49 10 00	7209 17 10 00		7219 12 90 00		7302 10 29 00
7204 49 30 00	7209 17 90 00	7212 60 00 11	7219 13 10 00	7225 11 00 00	7302 10 40 00
7204 49 90 00	7209 18 10 00	7212 60 00 91	7219 13 90 00	7225 19 10 00	7302 10 50 00
7204 50 00 00	7209 18 91 00		7219 14 10 00	7225 19 90 00	7302 10 90 00
	7209 18 99 00	7213 10 00 00	7219 14 90 00	7225 20 00 10	7302 40 00 00
7206 10 00 00	7209 25 00 00	7213 20 00 00	7219 21 10 00	7225 30 00 00	
7206 90 00 00	7209 26 10 00	7213 91 10 00	7219 21 90 00	7225 40 12 30	
7207 11 11 00	7209 26 90 00	7213 91 20 00	7219 22 10 00	7225 40 12 90	
7207 11 14 00	7209 27 10 00	7213 91 41 00	7219 22 90 00	7225 40 40 00	
7207 11 16 00	7209 27 90 00	7213 91 49 00	7219 23 00 00	7225 40 60 00	
7207 12 10 00	7209 28 10 00	7213 91 70 00	7219 24 00 00	7225 40 90 00	
7207 19 12 10	7209 28 90 00	7213 91 90 00	7219 31 00 00	7225 50 00 00	
7207 19 12 91	7209 90 00 10	7213 99 10 00	7219 32 10 00	7225 91 00 10	
7207 19 12 99		7213 99 90 00	7219 32 90 00	7225 92 00 10	
7207 19 80 10	7210 11 00 10		7219 33 10 00	7225 99 00 10	
7207 20 11 00	7210 12 20 10	7214 20 00 00	7219 33 90 00		
7207 20 15 00	7210 12 80 10	7214 30 00 00	7219 34 10 00	7226 11 00 10	
7207 20 17 00	7210 20 00 10	7214 91 10 00	7219 34 90 00	7226 19 10 00	
7207 20 32 00	7210 30 00 10	7214 91 90 00	7219 35 10 00	7226 19 80 10	
7207 20 52 00	7210 41 00 10	7214 99 10 00	7219 35 90 00	7226 20 00 10	
7207 20 80 10	7210 49 00 10	7214 99 31 00	7219 90 00 10	7226 91 20 00	
	7210 50 00 10	7214 99 39 00		7226 91 91 00	
7208 10 00 00	7210 61 00 10	7214 99 50 00	7220 11 00 00	7226 91 99 00	
7208 25 00 00	7210 69 00 10	7214 99 71 00	7220 12 00 00	7226 92 00 10	
7208 26 00 00	7210 70 10 10	7214 99 79 00	7220 20 21 10	7226 93 00 10	
7208 27 00 00	7210 70 80 10	7214 99 95 00	7220 20 29 10	7226 94 00 10	
7208 36 00 00	7210 90 30 10		7220 20 41 10	7226 99 00 10	
7208 37 00 10	7210 90 40 10	7215 90 00 10	7220 20 49 10		
7208 37 00 90	7210 90 80 91		7220 20 81 10	7227 10 00 00	
7208 38 00 10		7216 10 00 00	7220 20 89 10	7227 20 00 00	
7208 38 00 90	7211 13 00 00	7216 21 00 00	7220 90 00 11	7227 90 10 00	
7208 39 00 10	7211 14 00 10	7216 22 00 00	7220 90 00 31	7227 90 50 00	
	7211 14 00 90	7216 31 10 10		7227 90 95 00	

ANNEX II

SA Flat-rolled products

	7208 51 98 10	7209 90 00 10	7212 50 90 13
<i>SA1. (coils)</i>	7208 51 98 91		7212 60 00 11
	7208 51 98 99	7210 11 00 10	7212 60 00 91
7208 10 00 00	7208 52 91 10	7210 12 20 10	
7208 25 00 00	7208 52 91 90	7210 12 80 10	7219 21 10 00
7208 26 00 00	7208 52 10 00	7210 20 00 10	7219 21 90 00
7208 27 00 00	7208 52 99 00	7210 30 00 10	7219 22 10 00
7208 36 00 00	7208 53 10 00	7210 41 00 10	7219 22 90 00
7208 37 00 10		7210 49 00 10	7219 23 00 00
7208 37 00 90	7211 13 00 00	7210 50 00 10	7219 24 00 00
7208 38 00 10		7210 61 00 10	7219 31 00 00
7208 38 00 90	7225 40 12 30	7210 69 00 10	7219 32 10 00
7208 39 00 10	7225 40 40 00	7210 70 10 10	7219 32 90 00
7208 39 00 90	7225 40 60 00	7210 70 80 10	7219 33 10 00
	7225 99 00 10	7210 90 30 10	7219 33 90 00
7211 14 00 10		7210 90 40 10	7219 34 10 00
7211 19 00 10		7210 90 80 91	7219 34 90 00
			7219 35 10 00
7219 11 00 00	<i>SA3. (other flat rolled products)</i>	7211 14 00 90	7219 35 90 00
7219 12 10 00		7211 19 00 90	
7219 12 90 00	7208 40 00 90	7211 23 20 10	7225 40 12 90
7219 13 10 00	7208 53 90 00	7211 23 30 10	7225 40 90 00
7219 13 90 00	7208 54 00 00	7211 23 30 91	
7219 14 10 00	7208 90 00 10	7211 23 80 10	
7219 14 90 00		7211 23 80 91	
	7209 15 00 00	7211 29 00 10	
7225 20 00 10	7209 16 10 00	7211 90 00 11	
7225 30 10 00	7209 16 90 00		
7225 30 90 00	7209 17 10 00	7212 10 10 00	
	7209 17 90 00	7212 10 90 11	
<i>SA2. (heavy Plate)</i>	7209 18 10 00	7212 20 00 11	
	7209 18 91 00	7212 30 00 11	
7208 40 00 10	7209 18 99 00	7212 40 20 10	
7208 51 20 10	7209 25 00 00	7212 40 20 91	
7208 51 20 91	7209 26 10 00	7212 40 80 11	
7208 51 20 93	7209 26 90 00	7212 50 20 11	
7208 51 20 97	7209 27 10 00	7212 50 30 11	
7208 51 20 98	7209 27 90 00	7212 50 40 11	
7208 51 91 10	7209 28 10 00	7212 50 61 11	
7208 51 91 90	7209 28 90 00	7212 50 69 11	

SB Longs

<i>SB1. (beams)</i>	<i>SB3. (other longs)</i>		
7207 19 80 10	7207 19 12 10	7222 11 11 00	7301 10 00 00
7207 20 80 10	7207 19 12 91	7222 11 19 00	
	7207 19 12 99	7222 11 81 10	
7216 31 10 10	7207 20 52 00	7222 11 81 90	
7216 31 10 90		7222 11 89 10	
7216 31 90 00	7214 20 00 00	7222 11 89 90	
7216 32 11 00	7214 30 00 00	7222 19 10 00	
7216 32 19 00	7214 91 10 00	7222 19 90 00	
7216 32 91 00	7214 91 90 00	7222 30 97 10	
7216 32 99 00	7214 99 10 00	7222 40 10 00	
7216 33 10 00	7214 99 31 00	7222 40 90 10	
7216 33 90 00	7214 99 39 00		
	7214 99 50 00	7224 90 02 89	
	7214 99 71 10	7224 90 31 00	
<i>SB2. (wire rod)</i>	7214 99 71 90	7224 90 38 00	
	7214 99 79 10		
7213 10 00 00	7214 99 79 90	7228 10 20 00	
7213 20 00 00	7214 99 95 10	7228 20 10 10	
7213 91 10 00	7214 99 95 90	7228 20 10 91	
7213 91 20 00		7228 20 91 10	
7213 91 41 00	7215 90 00 10	7228 20 91 90	
7213 91 49 00		7228 30 20 00	
7213 91 70 00	7216 10 00 00	7228 30 41 00	
7213 91 90 00	7216 21 00 00	7228 30 49 00	
7213 99 10 00	7216 22 00 00	7228 30 61 00	
7213 99 90 00	7216 40 10 00	7228 30 69 00	
	7216 40 90 00	7228 30 70 00	
7221 00 10 00	7216 50 10 00	7228 30 89 00	
7221 00 90 00	7216 50 91 00	7228 60 20 10	
7227 10 00 00	7216 50 99 00	7228 60 80 10	
7227 20 00 00	7216 99 00 10	7228 70 10 00	
7227 90 10 00		7228 70 90 10	
7227 90 50 00	7218 99 20 00	7228 80 00 10	
7227 90 95 00		7228 80 00 90	

ANNEX III

QUANTITATIVE LIMITS

	(tonnes)	
<u>Products</u>	<u>2005</u>	<u>2006</u>
<u>SA. Flat-rolled products</u>		
SA1. Coils	150 000	153 750
SA2. Heavy plate	348 000	356 700
SA3. Other flat-rolled products	97 000	99 425
<u>SB. Long products</u>		
SB1. Beams	30 000	30 750
SB2. Wire rod	125 000	128 125
SB3. Other long products	230 000	235 750

Note: SA and SB are the «categories»

SA1, SA2, SA3, SB1, SB2 and SB3 are the «product groups»

Agreed minute

In the context of this Agreement, the Parties agree that:

- in pursuance of the exchange of information provided for in Article 4 (1) concerning export licences and import authorisations the parties will supply that information by reference to the Member States in addition to the Community as a whole,
- pending the satisfactory outcome of the consultations provided for in Article 5 (2), the Government of Ukraine will cooperate, if so requested by the Community, by not issuing export licences that would further aggravate the problems resulting from sudden and prejudicial changes in traditional trade flows; and
- the Government of Ukraine will take due account of the sensitive nature of small regional markets within the Community both as regards their traditional needs for supplies and the avoidance of regional concentrations.

Declaration N° 1

In the context of this Agreement, and more particularly Article 3 thereof, the Parties confirm their understanding that this Agreement does not affect existing systems concerning the import and duties in respect of the steel products mentioned in Annex II to the Agreement which are intended for certain categories of ships, boats and other vessels and for drilling or production platforms for the purposes of their construction, repair, maintenance or conversion and in respect of goods intended for fitting to or equipping such ships, boats or other vessels.

Declaration N°2

The Parties agree that they shall not apply quantitative restrictions, customs duties, charges or any measures having equivalent effect on the export of ferrous scrap and waste under the EC Combined Nomenclature heading 7204.

However, Ukraine is currently applying a tax on the exports of ferrous scrap of € 30 per tonne. The quantitative limits set out in Annex III of this Agreement take into account that tax. Ukraine is committed not to increase this tax. If Ukraine were to reduce or remove this tax on all ferrous scrap positions, the quantitative limits mentioned in Annex III would be increased accordingly up to 43%. The increase of these quantitative limits would be directly proportional to the reduction of the levy.

In case of removal or reduction of the 30 € export tax on the exports of certain ferrous scrap positions, e.g., shredded scrap, the Parties shall enter the consultations immediately in order to assess the increase of the quantitative limits set out in Annex III.

Declaration N° 3

Both Parties aim at achieving complete liberalisation of trade in steel products. In this context, both Parties intend to terminate quantitative restrictions once Ukraine becomes a WTO member. They also recognize that it is an important condition for promoting trade between them that competition, state aid and environment provisions applicable within each Party must be compatible. To this end, and upon request from Ukraine authorities, the Community shall provide technical assistance within available budgetary means to help Ukraine to adopt and implement legislative provisions compatible with those adopted and applied by the Community. Such assistance shall be specified in projects to be agreed by both Parties and identifying clearly, inter alia, the objectives, the means and the calendar.

Declaration N° 4

In the case Ukrainian operators were to set up service centres in the Community that would further process steel products set out in Annex II imported from Ukraine, Ukraine declares that it could request an increase of quantitative limits mentioned in Annex III . In this case, the Community shall examine such request of increase and the Parties will enter into consultations as soon as possible.

PROTOCOL A

TITLE I

CLASSIFICATION

Article 1

1. The competent authorities of the Community undertake to inform Ukraine of any changes in the combined nomenclature (CN) in respect of products covered by the Agreement before the date of their entry into force in the Community.
2. The competent authorities of the Community undertake to inform the competent authorities of Ukraine of any decisions relating to the classification of products covered by the Agreement within one month of their adoption at the latest.

Such a description shall include:

- (a) a description of the products concerned,
 - (b) the relevant CN codes,
 - (c) the reasons which have led to the decision.
3. Where a decision on classification results in a change of classification practice of any product covered by the Agreement, the competent authorities of the Community shall provide 30 days' notice, from the date of the Community's communication, before the decision is put into effect. Products shipped before the date of entry into effect of the decision shall remain subject to the earlier classification practice, provided that the goods in question are presented for importation into the Community within 60 day's of that date.
4. Where a Community decision on classification resulting in a change of classification practice of any product covered by the Agreement affects a category subject to quantitative limits, the Parties agree to enter into consultations in accordance with the procedures described in Article 9(3) of the Agreement with a view to honouring the obligation contained in Article 7(1) of the Agreement.
5. In case of divergent opinions between the competent authorities of Ukraine and the Community at the point of entry into the Community on the classification of products covered by the Agreement, classification shall provisionally be based on indications provided by the Community, pending consultations in accordance with Article 9 with a view to reaching agreement on the definitive classification of the products concerned.

TITLE II

ORIGIN

Article 2

1. Products originating in Ukraine according to the Community Regulations in force for export to the Community in accordance with the arrangements established by the Agreement shall be accompanied by a certificate of Ukrainian origin conforming to the model annexed to this Protocol.
2. The certificate of origin shall be certified by the Ukrainian organisations authorised for such purposes under Ukrainian legislation as to whether the products in question can be considered products originating in Ukraine.

Article 3

The certificate of origin shall be issued only on application in writing by the exporter or, under the exporter's responsibility, by his authorised representative. The Ukrainian organisations authorised for such purposes under Ukrainian legislation shall ensure that the certificate of origin is properly completed and for this purpose they shall call for any necessary documentary evidence or carry out any check which they consider appropriate.

Article 4

The discovery of slight discrepancies between the statements made in the certificate of origin and those made in the documents produced to the customs office for the purpose of carrying out the formalities for importing the products shall not *ipso facto* cast doubt upon the statements in the certificate.

TITLE III

DOUBLE-CHECKING SYSTEM FOR PRODUCTS SUBJECT TO QUANTITATIVE LIMITS

SECTION I

Exportation

Article 5

The appropriate Ukrainian governmental authorities shall issue an export licence in respect of all consignments from Ukraine of steel products covered by the Agreement up to the quantitative limits set out in Annex III of the Agreement.

Article 6

1. The export licence shall conform to the model annexed to this Protocol and it shall be valid for exports throughout the customs territory of the Community.
2. Each export licence must certify *inter alia* that the quantity of the product in question has been set off against the relevant quantitative limit established for the product concerned in Annex III of the Agreement.

Article 7

The competent authorities of the Community must be informed immediately of the withdrawal or modification of any export licence already issued.

Article 8

1. Exports shall be set off against the quantitative limits established for the year in which the shipment of goods has been effected even if the export licence is issued after such shipment.
2. For the purposes of applying paragraph 1, shipment of goods is considered to have taken place on the date of their loading onto the exporting transport.

Article 9

The importer shall present an export licence not later than 31 March of the year following that in which the goods covered by the licence have been shipped.

SECTION II

Importation

Article 10

The release for free circulation into the Community of steel products subject to quantitative limits shall be subject to the presentation of an import authorisation.

Article 11

1. The competent authorities of the Community shall issue the import authorisation referred to in Article 10 within ten working days of the presentation by the importer of the original of the corresponding export licence.
2. The import authorisations shall be valid for four months from the date of their issue for imports throughout the customs territory of the Community.

3. The competent authorities of the Community shall cancel the import authorisation already issued whenever the corresponding export licence has been withdrawn. However, if the competent authorities of the Community are notified of the withdrawal or the cancellation of the export licence only after the release for free circulation of the products into the Community, the relevant quantities shall be set off against the limits established for the product.

Article 12

If the competent authorities of the Community find that the total quantities covered by export licences issued by the competent authorities of Ukraine exceed the relevant quantitative limit established for products covered by Annex III of the Agreement the Community authorities shall suspend the further issue of import authorisations in respect of products covered by the quantitative limit in question. In this event, the competent authorities of the Community shall immediately inform the authorities of Ukraine and immediate consultations pursuant to Article 9(1) of the Agreement shall be initiated.

TITLE IV

FORM AND PRODUCTION OF EXPORT LICENCES AND CERTIFICATES OF ORIGIN, AND COMMON PROVISIONS CONCERNING EXPORTS TO THE COMMUNITY

Article 13

1. The export licence and the certificate of origin may comprise additional copies duly indicated as such. They shall be made out in English. If they are completed by hand, entries must be in ink and in printed script.

These documents shall measure 210 x 297 mm. The paper used shall be white writing paper, sized, not containing mechanical pulp, and weighing not less than 25 g/m². If the documents have several copies only the top copy, which is the original, shall be printed with the guilloche pattern background. This copy shall be clearly marked 'original' and the other copies 'copies'. Only the original shall be accepted by the competent authorities of the Community as being valid for the purpose of export to the Community in accordance with the provisions of the Agreement.

2. Each document shall bear a standardised serial number, whether or not printed, by which it can be identified.

This number shall be composed of the following elements:

- two letters identifying the exporting country as follows: UA,
- two letters identifying the intended Member State of customs clearance as follows:

BE = Belgium

CZ	=	Czech Republic
DK	=	Denmark
DE	=	Germany
EE	=	Estonia
EL	=	Greece
ES	=	Spain
FR	=	France
IE	=	Ireland
IT	=	Italy
CY	=	Cyprus
LV	=	Latvia
LT	=	Lithuania
LU	=	Luxembourg
HU	=	Hungary
MT	=	Malta
NL	=	Netherlands
AT	=	Austria
PL	=	Poland
PT	=	Portugal
SI	=	Slovenia
SK	=	Slovakia
FI	=	Finland
SE	=	Sweden
GB	=	United Kingdom;

- a one-digit number identifying the year in question corresponding to the last figure in the year, e.g. “5” for 2005,
- a two-digit number from 01 to 99, identifying the particular issuing office concerned in exporting country,

- a five-digit number running consecutively from 00001 to 99999 allocated to the intended Member State of customs clearance.

Article 14

The export licence and the certificate of origin may be issued after the shipment of the products to which they relate. In such cases, they must bear the endorsement 'issued retrospectively'.

Article 15

1. In the event of the theft, loss or destruction of an export licence or a certificate of origin, the exporter may apply to the Ukrainian governmental authorities competent to issue licences or to the Ukrainian organisations authorised to issue certificates of origin under Ukrainian legislation, respectively, for a duplicate to be made out on the basis of the export documents in his possession. The duplicate of any such certificate or licence so issued shall bear the endorsement 'duplicate'.
2. The duplicate shall bear the date of the original export licence or certificate of origin.

TITLE V

ADMINISTRATIVE COOPERATION

Article 16

The Parties shall cooperate closely in the implementation of the provisions of this Protocol. To this end, contacts and exchanges of views, including on technical matters, shall be facilitated by both Parties.

Article 17

In order to ensure the correct application of this Protocol, the Parties shall offer mutual assistance for the checking of the authenticity and the accuracy of export licences and certificates of origin issued or of any declarations made within the terms of this Protocol.

Article 18

Ukraine shall send the Commission of the European Communities the names and addresses of the competent Ukrainian authorities which are authorised to issue and to verify export licences and certificates of origin together with specimens of the stamps and signatures they use. Ukraine shall also notify the Commission of any change in this information.

Article 19

1. Subsequent verification of certificates of origin or export licences shall be carried out at random, or whenever the competent Community authorities have reasonable doubt as to the authenticity of the certificate or licence or as to the accuracy of the information regarding the true origin of the products in question.
2. In such cases, the competent authorities in the Community shall return the certificate of origin or the export licence or a copy thereof to the appropriate Ukrainian authorities giving, where appropriate, the reasons of form or substance which justify an enquiry. If the invoice has been submitted, such invoice or a copy thereof shall be attached to the certificate or to the licence or their copies. The authorities shall also forward any information that has been obtained suggesting that the particulars given on the said certificate or licence are inaccurate.
3. The provisions of paragraph 1 shall also apply to subsequent verifications of the certificates of origin provided for in Article 2 of this Protocol.
4. The results of the subsequent verifications carried out in accordance with paragraphs 1 and 2 above shall be communicated to the competent authorities of the Community within three months at the latest. The information communicated shall indicate whether the disputed certificate, licence or declaration, applies to the goods actually exported and whether these goods are eligible for export under the arrangements established by the Agreement. The information shall also include, at the request of the Community, copies of all the documentation necessary to fully determine the facts, and in particular the true origin of the goods.

Should such verifications reveal systematic irregularities in the use of certificates of origin, the Community may subject imports of the products in question to the provisions of Article 2(1) of this Protocol.

5. For the purpose of subsequent verification of certificates of origin, copies of the certificates as well as any export documents referring to them shall be kept by the appropriate Ukrainian authorities for at least one year following the end of the Agreement.
6. Recourse to the random verification procedure specified in this Article must not constitute an obstacle to the release for free circulation of the products in question.

Article 20

1. Where the verification procedure referred to in Article 19 or where information available to the competent authorities of the Community or of Ukraine indicates or appears to indicate that the provisions of the Agreement are being circumvented or infringed, the two Parties shall cooperate closely and with the appropriate urgency in order to prevent any such circumvention or infringement.
2. To this end, the appropriate Ukrainian authorities shall, on their own initiative or at the request of the Community, carry out appropriate inquiries, or arrange for such inquiries to be carried out, concerning operations which are, or appear to the

Community to be, in circumvention or infringement of this Protocol. Ukraine shall communicate the results of these inquiries to the Community, including any other pertinent information enabling the cause of the circumvention or infringement, including the true origin of the goods to be determined.

3. By agreement between the Parties, officials designated by the Community may be present at the inquiries referred to in paragraph 2.
4. In pursuance of the cooperation referred to in paragraph 1, the competent authorities of the Community and Ukraine shall exchange any information considered by either Party to be of use in preventing circumvention or infringement of the provisions of the Agreement. These exchanges may include information on the trade in the type of products covered by the Agreement between Ukraine and third countries, particularly where the Community has reasonable grounds to consider that the products in question may be in transit across the territory of Ukraine prior to their importation into the Community. This information may include at the request of the Community copies of all relevant documentation, where available.
5. Where sufficient evidence shows that the provisions of this Protocol have been circumvented or infringed, the competent authorities of Ukraine and the Community may agree to take any measures as are necessary to prevent a recurrence of such circumvention or infringement.

EXPORT LICENCE

1 Exporter (name, full address, country)	ORIGINAL	2 No	
	3 Year	4 Product group	
5 Consignee (name, full address, country)	EXPORT LICENCE (for certain steel products)		
	6 Country of origin	7 Country of destination	
8 Place and date of shipment – means of transport	9 Supplementary details		
10 Description of goods – manufacturer	11 TARIC code	12 Quantity ⁽¹⁾	13 Fob value ⁽²⁾
14 CERTIFICATION BY THE COMPETENT AUTHORITY			
<p>I, the undersigned, certify that the goods described above have been charged against the quantitative limit established for the year shown in box No 3 in respect of the Product group shown in box No 4 by the provisions regulating trade in certain steel products with the European Community.</p>			
15 Competent authority (name, full address, country)	At on		
	(Signature)	(Stamp)	

(1) Show net weight (kg) and also quantity in the unit prescribed where other than net weight.

(2) In the currency of the sale contract.

EXPORT LICENCE

1 Exporter (name, full address, country)	COPY		2	No
	3 Year	4 Product group		
5 Consignee (name, full address, country)	EXPORT LICENCE (for certain steel products)			
	6 Country of origin	7 Country of destination		
8 Place and date of shipment – means of transport	9 Supplementary details			
10 Description of goods – manufacturer	11 TARIC code	12 Quantity ⁽¹⁾	13 Fob value ⁽²⁾	
<p>14 CERTIFICATION BY THE COMPETENT AUTHORITY</p> <p>I, the undersigned, certify that the goods described above have been charged against the quantitative limit established for the year shown in box No 3 in respect of the Product group shown in box No 4 by the provisions regulating trade in certain steel products with the European Community.</p>				
15 Competent authority (name, full address, country)	At on			
	(Signature)	(Stamp)		

(1) Show net weight (kg) and also quantity in the unit prescribed where other than net weight.

(2) In the currency of the sale contract.

CERTIFICATE OF ORIGIN

1 Exporter (name, full address, country)	ORIGINAL		2	
			No	
	3 Year	4 Product group		
5 Consignee (name, full address, country)	CERTIFICATE OF ORIGIN (for certain steel products)			
	6 Country of origin	7 Country of destination		
8 Place and date of shipment – means of transport	9 Supplementary details			
10 Description of goods – manufacturer	11 TARIC code	12 Quantity ⁽¹⁾	13 Fob value ⁽²⁾	
14 CERTIFICATION BY THE COMPETENT AUTHORITY				
I, the undersigned, certify that the goods described above originated in the country shown in box No 6, in accordance with the provisions in force in the European Community.				
15 Competent authority (name, full address, country)	At on (Signature) (Stamp)			

(1) Show net weight (kg) and also quantity in the unit prescribed where other than net weight.

(2) In the currency of the sale contract.

CERTIFICATE OF ORIGIN

1 Exporter (name, full address, country)	COPY	2 No	
	3 Year	4 Product group	
5 Consignee (name, full address, country)	CERTIFICATE OF ORIGIN (for certain steel products)		
	6 Country of origin	7 Country of destination	
8 Place and date of shipment – means of transport	9 Supplementary details		
10 Description of goods – manufacturer	11 TARIC code	12 Quantity ⁽¹⁾	13 Fob value ⁽²⁾
14 CERTIFICATION BY THE COMPETENT AUTHORITY I, the undersigned, certify that the goods described above originated in the country shown in box No 6, in accordance with the provisions in force in the European Community.			
15 Competent authority (name, full address, country)	At on (Signature) (Stamp)		

(1) Show net weight (kg) and also quantity in the unit prescribed where other than net weight.

(2) In the currency of the sale contract.