



Council of the
European Union

Brussels, 16 May 2023
(OR. en)

9195/23

**Interinstitutional File:
2023/0063(COD)**

**CODEC 821
UK 87
POLCOM 82
COMER 52
UD 95
PE 52**

INFORMATION NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee/Council
Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulation (EU) 2020/2170 as regards the application of Union tariff rate quotas and other import quotas to certain products transferred to Northern Ireland - Outcome of the European Parliament's first reading (Strasbourg, 8 to 11 May 2023)

I. INTRODUCTION

On 5 April 2023, the Permanent Representatives Committee confirmed that, should the European Parliament approve the abovementioned Commission's proposal without amendments, the Council would approve the European Parliament's position.

On 9 May 2023, the rapporteur Seán KELLY (EPP, IE) presented a report on behalf of the Committee on International Trade (INTA) aiming at taking over the Commission proposal.

II. VOTE

The Parliament adopted its first-reading position on 9 May 2023 by taking over the Commission proposal. This position is contained in its legislative resolution.

The Council should therefore be in a position to approve the European Parliament's position as set out in the Annex hereto, thus bringing to a close the first reading for both Institutions.

The legislative act would then be adopted in the wording which corresponds to the European Parliament's position.

Application of Union tariff rate quotas and other import quotas to certain products transferred to Northern Ireland

European Parliament legislative resolution of 9 May 2023 on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) 2020/2170 as regards the application of Union tariff rate quotas and other import quotas to certain products transferred to Northern Ireland (COM(2023)0125 – C9-0032/2023 – 2023/0063(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2023)0125),
 - having regard to Article 294(2) and Article 207(2) of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C9-0032/2023),
 - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
 - having regard to the undertaking given by the Council representative by letter of 5 April 2023 to approve Parliament's position, in accordance with Article 294(4) of the Treaty on the Functioning of the European Union,
 - having regard to Rule 59 of its Rules of Procedure,
 - having regard to the report of the Committee on International Trade (A9-0164/2023),
1. Adopts its position at first reading hereinafter set out;
 2. Calls on the Commission to refer the matter to Parliament again if it replaces, substantially amends or intends to substantially amend its proposal;
 3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

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Position of the European Parliament adopted at first reading on 9 May 2023 with a view to the adoption of Regulation (EU) 2023/... of the European Parliament and of the Council amending Regulation (EU) 2020/2170 as regards the application of Union tariff rate quotas and other import quotas to certain steel products transferred to Northern Ireland

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 207(2) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Acting in accordance with the ordinary legislative procedure¹,

¹ Position of the European Parliament of 9 May 2023.

Whereas:

- (1) Article 1 of Regulation (EU) 2020/2170 of the European Parliament and of the Council² provides that goods imported from outside the Union are to be eligible for treatment pursuant to Union import tariff rate quotas or other import quotas only if those goods are released for free circulation in the territories listed therein. That provision addresses the risks to the proper functioning of the Union's internal market and the integrity of the Common Commercial Policy that would arise from the possible circumvention of the Union tariff rate quotas or other import quotas. The territories set out in Article 1 of that Regulation do not include Northern Ireland.
- (2) The Trade and Cooperation Agreement between the European Union and the European Atomic Energy Community, of the one part, and the United Kingdom of Great Britain and Northern Ireland, of the other part³ (the 'Trade and Cooperation Agreement'), provides for the opening by the Union of quotas with regard to imports into the Union of certain products originating in the United Kingdom. In addition, the Trade and Cooperation Agreement confers upon the Union the right to introduce tariff rate quotas or other import quotas with regard to imports of goods originating in the United Kingdom under certain circumstances, including as part of the application of multilateral safeguard measures in accordance with the WTO Agreement. It is necessary, therefore, to clarify whether goods originating in the United Kingdom and released for free circulation in Northern Ireland are eligible for treatment under those tariff rate quotas or other import quotas.

² Regulation (EU) 2020/2170 of the European Parliament and of the Council of 16 December 2020 on the application of Union tariff rate quotas and other import quotas (OJ L 432, 21.12.2020, p. 1).

³ OJ L 149, 30.4.2021, p. 10.

- (3) The United Kingdom is bound by the arrangements laid down in the Protocol on Ireland/Northern Ireland (the ‘Protocol’) to the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community⁴ (the ‘Withdrawal Agreement’). Therefore, the legal relationship between the Union and the United Kingdom in respect of goods originating in the United Kingdom and released for free circulation in Northern Ireland is fundamentally different from that between the Union and any other third country in respect of goods originating in such a third country and released for free circulation in Northern Ireland.
- (4) The United Kingdom has provided evidence showing that certain steel products originating in the United Kingdom that are currently subject to safeguard measures under Commission Implementing Regulation (EU) 2019/159⁵ (the ‘products concerned’) have been transferred in significant quantities to Northern Ireland from other parts of the United Kingdom. In order to ensure the economic viability of those transfers and in view of the specific circumstances in Northern Ireland, it is appropriate to allow for the products concerned to benefit from the relevant Union tariff rate quotas when they are released for free circulation in Northern Ireland.

⁴ OJ L 29, 31.1.2020, p. 7.

⁵ Commission Implementing Regulation (EU) 2019/159 of 31 January 2019 imposing definitive safeguard measures against imports of certain steel products (OJ L 31, 1.2.2019, p. 27).

- (5) In order to limit the risk of circumvention of the Union tariff rate quotas applicable to the products concerned by imports of the same products originating in other countries, when such products are released for free circulation in Northern Ireland, the products concerned should be consigned directly from other parts of the United Kingdom.
- (6) Moreover, the United Kingdom has undertaken to take the necessary measures, in accordance with the Protocol, to ensure that the transfers of the products concerned using Union tariff rate quotas are counted against those quotas, as soon as such products are released for free circulation in Northern Ireland, in the same way as if those goods were imported into the Union.

- (7) Since the need for importation into Northern Ireland of the products concerned might vary over time, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union in order to adjust the list of the products concerned should be delegated to the Commission. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making⁶. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.
- (8) Regulation (EU) 2020/2170 should therefore be amended accordingly.
- (9) By virtue of Article 5(3) and (4) of the Protocol, in conjunction with Article 13(3) thereof, this Regulation would also apply to and in the United Kingdom in respect of Northern Ireland.
- (10) In order to avoid any potential disruption in the transfers of the products concerned from other parts of the United Kingdom to Northern Ireland, this Regulation should enter into force as soon as possible,

HAVE ADOPTED THIS REGULATION:

⁶ OJ L 123, 12.5.2016, p.1.

Article 1

Amendments to Regulation (EU) 2020/2170

Regulation (EU) 2020/2170 is amended as follows:

(1) in Article 1, the following second paragraph is added:

‘Goods listed in the Annex originating in the United Kingdom and being subject to safeguard measures under Commission Implementing Regulation (EU) 2019/159* that are brought into Northern Ireland by direct transport from other parts of the United Kingdom shall also be eligible for treatment pursuant to Union import tariff rate quotas if those goods are released for free circulation in the territory of Northern Ireland.

* Commission Implementing Regulation (EU) 2019/159 of 31 January 2019 imposing definitive safeguard measures against imports of certain steel products (OJ L 31, 1.2.2019, p. 27).’;

(2) the following Articles are inserted:

‘Article 1a

The Commission is empowered to adopt delegated acts, in accordance with Article 1b, amending this Regulation in order to add to the list set out in the Annex certain categories of goods originating in the United Kingdom and being subject to safeguard measures under Implementing Regulation (EU) 2019/159, that are brought into Northern Ireland by direct transport from other parts of the United Kingdom provided that the United Kingdom has demonstrated to the satisfaction of the Union a need for those goods to be released for free circulation in Northern Ireland.

Article 1b

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.

2. The power to adopt delegated acts referred to in Article 1a shall be conferred on the Commission for a period of five years from ... [date of entry into force of this Regulation]. The Commission shall draw up a report in respect of the delegation of power not later than nine months before the end of the five-year period. The delegation of power shall be tacitly extended for periods of an identical duration, unless the European Parliament or the Council opposes such extension not later than three months before the end of each period.
3. The delegation of power referred to in Article 1a may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making*.
5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.
6. A delegated act adopted pursuant to Article 1a shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

* OJ L 123, 12.5.2016, p. 1.’;

- (3) the text set out in the Annex to this Regulation is added as Annex.

Article 2

Entry into force

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

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

Done at ...,

For the European Parliament

For the Council

The President

The President

ANNEX

‘ANNEX

Tariff Rate Quota (TRQ) Description	Combined Nomenclature (CN) Codes⁷
Steel category 7	7208 51 20, 7208 51 91, 7208 51 98, 7208 52 91, 7208 90 20, 7208 90 80, 7210 90 30, 7225 40 12, 7225 40 40, 7225 40 60, 7225 99 00
Steel category 17	7216 31 10, 7216 31 90, 7216 32 11, 7216 32 19, 7216 32 91, 7216 32 99, 7216 33 10, 7216 33 90

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⁷ As defined in Council Regulation (EEC) No 2658/87 of 23 July 1987 on the tariff and statistical nomenclature and on the Common Customs Tariff (OJ L 256, 7.9.1987, p. 1).