



EUROPEAN UNION

THE EUROPEAN PARLIAMENT

THE COUNCIL

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LEGISLATIVE ACTS AND OTHER INSTRUMENTS

Subject: REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE
COUNCIL on the reduction or elimination of customs duties on goods
originating in Ukraine

REGULATION (EU) No .../2014
OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of

**on the reduction or elimination of customs duties on goods
originating in Ukraine**

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 3 April 2014 (not yet published in the Official Journal) and decision of the Council of

Whereas:

- (1) Ukraine is a priority partner country within the European Neighbourhood Policy and the Eastern Partnership. The Union has been seeking an increasingly close relationship with Ukraine going beyond mere bilateral cooperation, encompassing gradual progress towards political association and economic integration. In this respect, an Association Agreement between the European Union and its Member States, of the one part, and Ukraine, of the other part ('the Association Agreement') was negotiated in 2007-2011, including a Deep and Comprehensive Free Trade Area (DCFTA), and was initialed by both parties on 30 March 2012. Pursuant to the provisions of the DCFTA, the Union and Ukraine are to establish a free trade area over a transitional period of a maximum of 10 years, starting from the entry into force of the Association Agreement, in accordance with Article XXIV of the General Agreement on Tariffs and Trade 1994.
- (2) In view of the unprecedented security, political and economic challenges faced by Ukraine, and in order to support its economy, it is appropriate not to await the entry into force of the Association Agreement's provisions on DCFTA, but to anticipate its implementation by means of autonomous trade preferences and to start unilaterally the reduction or elimination of Union customs duties on goods originating in Ukraine, in accordance with the Schedule of concessions set out in Annex IA to the Association Agreement.

- (3) In order to prevent any risk of fraud, the entitlement to benefit from autonomous trade preferences should be conditional on compliance by Ukraine with the relevant rules of origin of products and the procedures related thereto, as well as on its involvement in effective administrative cooperation with the Union. Moreover, Ukraine should abstain from introducing new duties or charges having equivalent effect or new quantitative restrictions or measures having equivalent effect for imports originating in the Union, or from increasing existing levels of duties or charges or from introducing any other restrictions.
- (4) It is necessary to provide for the reintroduction of normal Common Customs Tariff duties for any products which cause, or threaten to cause, serious difficulties to Union producers of like or directly competing products, subject to an investigation by the Commission.
- (5) In the event of failure to comply with any of the conditions laid down in this Regulation, implementing powers should be conferred on the Commission to suspend temporarily in whole or in part the preferential arrangements. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council¹.

¹ Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13).

- (6) This Regulation is to be applied until Title IV (trade and trade-related matters) of the Association Agreement enters into force or, where appropriate, is applied provisionally, and until 1 November 2014 at the latest.
- (7) In view of the urgency of the matter, it is important to apply an exception to the eight-week period referred to in Article 4 of Protocol No 1 on the role of national Parliaments in the European Union, annexed to the Treaty on European Union and to the Treaty on the Functioning of the European Union,

HAVE ADOPTED THIS REGULATION:

Article 1
Preferential arrangements

Customs duties on goods originating in Ukraine shall be reduced or eliminated in accordance with Annex I.

Article 2
Conditions for entitlement to the preferential arrangements

Entitlement to benefit from the preferential arrangements introduced by Article 1 shall be subject to:

- (a) compliance with the rules of origin of products and the procedures related thereto as provided for in Title IV, Chapter 2, section 2 of Commission Regulation (EEC) No 2454/93¹;
- (b) compliance with the methods of administrative cooperation provided for in Articles 121 and 122 of Regulation (EEC) No 2454/93;
- (c) participation by Ukraine in effective administrative cooperation with the Union in order to prevent any risk of fraud;
- (d) abstention by Ukraine from introducing new duties or charges having equivalent effect and new quantitative restrictions or measures having equivalent effect for imports originating in the Union, or from increasing existing levels of duties or charges or from introducing any other restrictions from ...⁺.

¹ Commission Regulation (EEC) No 2454/93 of 2 July 1993 laying down provisions for the implementation of Council Regulation (EEC) No 2913/92 establishing the Community Customs Code (OJ L 253, 11.10.1993, p. 1).

⁺ OJ: please insert the date of entry into force of this Regulation.

Article 3
Access to tariff quotas

1. The products listed in Annexes II and III shall be admitted for import into the Union within the limits of Union tariff quotas as set out in those Annexes.
2. The tariff quotas referred to in paragraph 1 of this Article shall be administered by the Commission in accordance with Articles 308a, 308b and 308c of Regulation (EEC) No 2454/93, with the exception of the tariff quotas for specific agricultural products referred to in Annex III to this Regulation.
3. Tariff quotas for specific agricultural products referred to in Annex III to this Regulation shall be administered by the Commission pursuant to the rules laid down in accordance with Article 184 of Regulation (EU) No 1308/2013 of the European Parliament and of the Council¹.

Article 4
Temporary suspension

Where it finds that there is sufficient evidence of failure to comply with the conditions set out in Article 2, the Commission may adopt implementing acts in order to suspend temporarily in whole or in part the preferential arrangements provided for in this Regulation. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 6(2).

¹ Regulation (EU) No 1308/2013 of the European Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products and repealing Council Regulations (EEC) No 922/72, (EEC) No 234/79, (EC) No 1037/2001 and (EC) No 1234/2007 (OJ L 347, 20.12.2013, p. 671).

Article 5
Safeguard clause

Where imports of a product originating in Ukraine and included in Annex I to this Regulation cause or threaten to cause serious difficulties to Union producers of like or directly competing products, the Commission may reintroduce the normal Common Customs Tariff duties with regard to such imports subject to the conditions and in accordance with the procedures laid down in Articles 11 and 11a of Council Regulation (EC) No 55/2008¹ which shall apply mutatis mutandis.

Article 6
Committee procedure

1. For the implementation of Article 3(2) and Article 4 of this Regulation, the Commission shall be assisted by the Customs Code Committee established by Article 248a of Council Regulation (EEC) No 2913/92². That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.
2. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.

¹ Council Regulation (EC) No 55/2008 of 21 January 2008 introducing autonomous trade preferences for the Republic of Moldova and amending Regulation (EC) No 980/2005 and Commission Decision 2005/924/EC (OJ L 20, 24.1.2008, p. 1).

² Council Regulation (EEC) No 2913/92 of 12 October 1992 establishing the Community Customs Code (OJ L 302, 19.10.1992, p. 1).

Article 7

Entry into force and application

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

It shall apply until Title IV of the Association Agreement enters into force or, where appropriate, is applied provisionally, and until 1 November 2014 at the latest. The Commission shall publish in the *Official Journal of the European Union* a notice in the event that this Regulation ceases to apply before that date.

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

Done at ...,

For the European Parliament

The President

For the Council

The President
