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PROPOSAL

From:	Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director
date of receipt:	31 August 2022
To:	General Secretariat of the Council
No. Cion doc.:	COM(2022) 429 final
Subject:	Proposal for a COUNCIL REGULATION amending Council Regulation (EU) 2020/1706 opening and providing for the management of autonomous Union tariff quotas for certain fishery products for the period 2021-2023

Delegations will find attached document COM(2022) 429 final.

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EUROPEAN
COMMISSION

Brussels, 31.8.2022
COM(2022) 429 final

2022/0256 (NLE)

Proposal for a

COUNCIL REGULATION

**amending Council Regulation (EU) 2020/1706 opening and providing for the
management of autonomous Union tariff quotas for certain fishery products for the
period 2021-2023**

(Text with EEA relevance)

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

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

Council Regulation (EU) 2020/1706¹ opening and providing for the management of autonomous Union tariff quotas (ATQs) for certain fishery products for the period 2021-2023 was adopted on 13 November 2020.

The objective of the Regulation is to ensure the competitiveness of the Union processing industry and avoid jeopardising Union production of fishery products by guaranteeing an adequate supply of fishery products to the industry. To this end, the Regulation reduces or suspends import duties for a number of fishery products within tariff quotas of an appropriate volume. It also defines which processing operations ('qualifying operations') allow the use of the tariff quotas and which do not.

On 19 July 2021, the Regulation 2020/1706 was amended by adding new autonomous quotas due to the expiry of bilateral protocols with the Kingdom of Norway² and with Iceland³ providing for quotas for certain fish and fishery products. These new autonomous quotas are to expire on 31 October 2022. As the negotiations of new bilateral protocols will not be concluded before that date, a shortage of duty free fisheries materials for processing in the Union may be expected. Hence, it is necessary to extend the validity of the quotas until the end of the application of the Regulation 2020/1706.

- **Consistency with existing policy provisions in the policy area**

This initiative is in line with and pursues the EU's policy over the past 20 years of securing an adequate supply of fishery products for its processing industry.

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

- **Legal basis**

Article 31 TFEU.

- **Subsidiarity (for non-exclusive competence)**

Common Customs Tariff duties fall under the exclusive competence of the Union. The subsidiarity principle therefore does not apply to these provisions.

- **Proportionality**

The policy choice is proportionate because for each product only a limited quantity is authorised, taking account of the utilisation rate, a level playing field between EU and non-EU producers, value added and other existing trade preferences.

¹ OJ L 385, 17.11.2020, p. 3

² OJ L 141, 28.5.2016, p. 22

³ OJ L 141, 28.5.2016, p. 18

- **Choice of the instrument**

Not applicable.

3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS

- **Ex-post evaluations/fitness checks of existing legislation**

Not applicable

- **Stakeholder consultations**

Not applicable

- **Collection and use of expertise**

Not applicable

- **Impact assessment**

No impact assessment has been performed. The proposal aims at amending the current legal act that expires at the end of 2023. There is therefore no need for an impact assessment.

- **Regulatory fitness and simplification**

Not applicable

- **Fundamental rights**

Not applicable

4. BUDGETARY IMPLICATIONS

The proposal has a budgetary impact on the EU revenue in terms of loss of customs duties which would have been collected on imported products. One proposed quota concerns a product which is subject to a 20% Most Favoured Nation (MFN) duty (herring in brine). Two other proposed quotas concern products which benefit from a tariff suspension between 15 February to 15 June. The rest of the year frozen herring is subject to a 15% MFN duty. Three more quotas concern products which are subject to 15% MFN duty.

The stated amount of 10,94 million euros of revenue loss has been calculated on the basis of the proposed tonnage within the ATQ (so implying maximum utilisation of the quota), the declared import value of the products for the corresponding imported amounts (quota value) and the 15% or 20 % MFN duty rate on the product, without taking into account the tariff suspensions period. It marks, therefore, the maximum level of loss of revenue since the EU grants more favourable trade preferences to different groups of third countries (Generalised Scheme of Preferences, Free Trade Agreements).

5. OTHER ELEMENTS

- **Implementation plans and monitoring, evaluation and reporting arrangements**

Not applicable

- **Detailed explanation of the specific provisions of the proposal**

The proposal consists in extending the validity of the current quotas 09.2509, 09.2510, 09.2512, 09.2513 and 09.2514 until the end of the validity of the Regulation 2020/1706. In order to do this, it is necessary to add new quotas covering the period from November 2022 to December 2023. The yearly volumes are increased proportionally to cover the whole quota period of 14 months.

Proposal for a

COUNCIL REGULATION

amending Council Regulation (EU) 2020/1706 opening and providing for the management of autonomous Union tariff quotas for certain fishery products for the period 2021-2023

(Text with EEA relevance)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 31 thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) Union supplies of certain fishery products currently depend on imports from third countries. In the last decades, the Union has become more dependent on imports to meet its consumption of fishery products. In order not to jeopardise the Union production of fishery products and to ensure an adequate supply to the Union processing industry, import duties should be suspended or reduced for a number of fishery products within tariff quotas of an appropriate volume.
- (2) Council Regulation (EU) 2020/1706¹ opens and provides for the management of autonomous Union tariff quotas for certain fishery products for the period 2021-2023. Appropriate volumes have been decided for each tariff quota to ensure an adequate supply to the Union industry for this period.
- (3) On 19 July 2021, Regulation (EU) 2020/1706 was amended by Council Regulation 2021/1203² adding, among others, new quotas valid until 31 October 2022, due to the expiry of bilateral protocols with the Kingdom of Norway³ and with Iceland⁴ providing for quotas for certain fish and fishery products.

¹ Council Regulation (EU) 2020/1706 of 13 November 2020 opening and providing for the management of autonomous Union tariff quotas for certain fishery products for the period 2021-2023 (OJ L 385, 17.11.2020, p. 3)

² Council Regulation (EU) 2021/1203 of 19 July 2021 amending Regulation (EU) 2020/1706 as regards inclusion of autonomous Union tariff quotas for certain fishery products (OJ L 261, 22.7.2021, p. 1-3)

³ OJ L 141, 28.5.2016, p. 22

⁴ OJ L 141, 28.5.2016, p. 18

- (4) However, the negotiations of new additional protocols with Iceland and Kingdom of Norway providing for quotas for certain fish and fishery products will not be concluded before 31 October 2022.
- (5) It is therefore necessary to establish new quotas valid until the end of the application of the Regulation (EU) 2020/1706.

HAS ADOPTED THIS REGULATION:

Article 1

The Annex to Regulation (EU) 2020/1706 is amended in accordance with the Annex to this Regulation.

Article 2

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 from 1 November 2022.

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

Done at Brussels,

For the Council
The President