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NOTE

From:	General Secretariat of the Council
To:	Delegations
No. Cion doc.:	ST 11693/18 + ADD 1
Subject:	Draft Council Decision on the position to be taken on behalf of the European Union in the EU-CTC Joint Committee established by the Convention of 20 May 1987 on a common transit procedure as regards amendments to that Convention - Presidency Compromise Text

Delegations will find in the Annext the Presidency Compromise text of the above draft Council Decision, as agreed at the Customs Union Working Party meeting on 11 September 2018.

The only difference with the Commission Proposal is the inclusion of a new Recital 7.

ANNEX

Draft

COUNCIL DECISION

on the position to be taken on behalf of the European Union in the EU-CTC Joint Committee established by the Convention of 20 May 1987 on a common transit procedure as regards amendments to that Convention

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 207, in conjunction with Article 218(9) thereof,
Having regard to the proposal from the European Commission,

Whereas:

(1) The Convention on a common transit procedure[1] ("the Convention") was concluded between the European Economic Community, the Republic of Austria, the Republic of Finland, the Republic of Iceland, the Kingdom of Norway, the Kingdom of Sweden and the Swiss Confederation on 20 May 1987 and entered into force on 1 January 1988.

(2) The United Kingdom of Great Britain and Northern Ireland ("the United Kingdom") has expressed its wish to accede to the Convention as a separate Contracting Party from the date the Convention no longer applies to and in the United Kingdom.

(3) The accession of the United Kingdom to the Convention as a separate Contracting Party will require appropriate adaptations of the guarantee documents shown as specimens in certain Annexes to Appendix III to the Convention in order to delete the reference to the United Kingdom as a Member State of the European Union and add the reference to the United Kingdom as a common transit country.

[1] OJ L 226, 13.8.1987, p.2

(4) Pursuant to Article 15(3)(a) of the Convention, the Joint Committee set up by that Convention may adopt, by decision, amendments to the Appendices to the Convention. It is appropriate to establish the position to be taken on the Union's behalf in the Joint Committee, as the decision to amend the Convention will be binding on the Union.

(5) The Convention ensures efficient border crossing procedures for trade between the Contracting Parties.

(6) As the Joint Committee Decision will amend the Convention, it is appropriate to publish it in the Official Journal of the European Union after its adoption.

(7) Until its withdrawal from the Union, the United Kingdom remains a Member State enjoying all the rights and bound by all obligations stemming from the Treaties, including the compliance with the principle of sincere cooperation. In the guidelines of 29 April 2017, the European Council recognised the need, in the international context, to take into account the specificities of the United Kingdom as a withdrawing Member State, provided it respects its obligations and remains loyal to the Union's interests while still a Member State,

HAS ADOPTED THIS DECISION:

Article 1

The position to be taken on the Union's behalf in the EU-CTC Joint Committee set up by the Convention of 20 May 1987 on a common transit procedure as regards amendments to the Appendices to that Convention shall be based on the draft act of that Joint Committee attached to this Decision.

Article 2

After its adoption, the Decision of the EU-CTC Joint Committee shall be published in the Official Journal of the European Union.

Article 3

This Decision is addressed to the Commission.

Done at Brussels,

For the Council

The President

Proposal for a Decision no …./2018 of the EU-CTC Joint Committee established by the Convention of 20 May 1987 on a common transit procedure of ……2018 amending that Convention

THE EU-CTC JOINT COMMITTEE

Having regard to the Convention of 20 May 1987 on a common transit procedure, and in particular Article 15(3)(a) thereof,

Whereas:

(1) Article 15(3)(a) of the Convention of 20 May 1987 on a common transit procedure[2] (the 'Convention') empowers the Joint Committee set up by that Convention (the 'Joint Committee') to adopt by decision amendments to the Appendices to the Convention.

(2) The United Kingdom of Great Britain and Northern Ireland ("the United Kingdom") has expressed its wish to accede to the Convention as a separate Contracting Party and has been invited to do so by Decision No …. /2018 of ….. 2018.

(3) Accordingly, the guarantee forms should be modified to delete the United Kingdom as a Member State of the Union and to insert the United Kingdom as a common transit country.

(4) In order to allow the use of guarantee forms printed in accordance with the criteria in force prior to the date the accession of the United Kingdom to the Convention as a separate contracting party becomes effective, a transitional period should be established during which the printed forms, with some adaptations, may continue to be used.

(5) The entry into force of this Decision should be linked to the date the accession of the United Kingdom to the Convention as a separate contracting party becomes effective and subject to it.

[2] OJ L 226, 13.8.1987, p. 2

(6) The Convention should therefore be amended accordingly,

HAS ADOPTED THIS DECISION:

Article 1

Appendix III to the Convention of 20 May 1987 on a common transit procedure (the "Convention") is amended as set out in the Annex to this Decision.

Article 2

The guarantee forms in Annexes C1 to C6 to Appendix III to the Convention, in the version applicable on the day before the entry into force of this decision, may continue to be used subject to the necessary geographical adaptations, for one year from the entry into force of this decision.

Article 3

This Decision shall enter into force subject to and on the date the accession of the United Kingdom to the Convention as a separate contracting party becomes effective.

Done at Brussels, ……. 2018

For the Joint Committee
The President
Philip Kermode

Appendix III to the Convention of 20 May 1987 on a common transit procedure is amended as follows:

1) Annex C1 is replaced by the following:

"ANNEX C1

GUARANTOR'S UNDERTAKING – INDIVIDUAL GUARANTEE

I. Undertaking by the guarantor

1. The undersigned [1]

……..……

resident at [2]

……...

hereby jointly and severally guarantees, at the office of guarantee of

……...

up to a maximum amount of

……...

[1] Surname and forename or name of firm.

[2] Full address.

in favour of the European Union (comprising the Kingdom of Belgium, the Republic of Bulgaria, the Czech Republic, the Kingdom of Denmark, the Federal Republic of Germany, the Republic of Estonia, the Hellenic Republic, the Republic of Croatia, the Kingdom of Spain, the French Republic, Ireland, the Italian Republic, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Grand Duchy of Luxembourg, Hungary, the Republic of Malta, the Kingdom of the Netherlands, the Republic of Austria, the Republic of Poland, the Portuguese Republic, Romania, the Republic of Slovenia, the Slovak Republic, the Republic of Finland, the Kingdom of Sweden) and the Republic of Iceland, the former Yugoslav Republic of Macedonia, the Kingdom of Norway, the Republic of Serbia, the Swiss Confederation, the Republic of Turkey, the United Kingdom of Great Britain and Northern Ireland [3], the Principality of Andorra, and the Republic of San Marino [4] , any amount for which the person providing this guarantee [5] :

……..

[3] Delete the name/names of the State/States on whose territory the guarantee may not be used.

[4] The references to the Principality of Andorra and the Republic of San Marino shall apply solely to Union transit operations.

[5] Surname and forename, or name of firm and full address of the person providing the guarantee.

may be or become liable to the abovementioned countries for debt in the form of duty and other charges [6] with …….. respect to the goods described below covered by the following customs operation [7]:

……...

……...

Goods description: ……...

……...

……..

……..

2. The undersigned undertakes to pay upon the first application in writing by the competent authorities of the countries referred to in point 1 and without being able to defer payment beyond a period of 30 days from the date of application the sums requested unless he or she or any other person concerned establishes before the expiry of that period, to the satisfaction of the customs authorities, that the special procedure other than the end-use procedure has been discharged, the customs supervision of end-use goods or the temporary storage has ended correctly or, in case of the operations other than special procedures and temporary storage, that the situation of goods has been regularised.

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[6] Applicable with respect to the charges due in connection with import or export of the goods where the guarantee is used for the placing of goods under the Union/common transit procedure or may be used in more than one Member State.

[7] Enter on of the following customs operations:
(a) temporary storage,
(b) Union transit procedure/common transit procedure,
(c) customs warehousing procedure,
(d) temporary admission procedure with total relief from import duty,
(e) inward processing procedure,
(f) end-use procedure,
(g) release for free circulation under normal customs declaration without deferred payment,
(h) release for free circulation under normal declaration with deferred payment,
(i) release for free circulation under a customs declaration lodged in accordance with Article 166 of Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code (OJ L 269, 10.10.2013, p. 1),
(j) release for free circulation under a customs declaration lodged in accordance with Article 182 of Regulation (EU) No 952/2013,
(k) temporary admission procedure with partial relief from import duty,
(l) if another – indicate the other kind of operation.

At the request of the undersigned and for any reasons recognized as valid, the competent authorities may defer beyond a period of 30 days from the date of application for payment the period within which he or she is obliged to pay the requested sums. The expenses incurred as a result of granting this additional period, in particular any interest, must be so calculated that the amount is equivalent to what would be charged under similar circumstances on the money market or financial market in the country concerned.

3. This undertaking shall be valid from the day of its approval by the office of guarantee. The undersigned shall remain liable for payment of any debt incurred during the customs operation covered by this undertaking and commenced before any revocation or cancellation of the guarantee took effect, even if the demand for payment is made after that date.

4. For the purpose of this undertaking, the undersigned gives his or her address for service in each of the other countries referred to in point 1 as [8]:

Country	Surname and forenames, or name of firm, and full address

The undersigned acknowledges that all correspondence and notices and any formalities or procedures relating to this undertaking addressed to or effected in writing at one of his or her addresses for services shall be accepted as duly delivered to him or her.

[8] If, in the law of the country, there is no provision for address for service, the guarantor shall appoint, in this country, an agent authorised to receive any communications addressed to him and the acknowledgement in the second subparagraph and the undertaking in the fourth subparagraph of point 4 must be made to correspond. The courts of the places in which the addresses for service of the guarantor or of his agents are situated shall have jurisdiction in disputes concerning this guarantee.

The undersigned acknowledges the jurisdiction of the courts of the places where he or she has an address for service.

The undersigned undertakes not to change his or her address for service or, if he or she has to change one or more of those addresses, to inform the office of guarantee in advance.

Done at……on…….

……..

(Signature) [9]

II. Approval by the office of guarantee

Office of guarantee……..

……

……..

Guarantor's undertaking approved on…… to cover the customs operation effected under customs declaration/temporary storage declaration No……..of …….....

…… [10]

(Stamp and Signature)

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[9] The person signing the document must enter the following by hand before his or her signature "Guarantee for the amount of…"(the amount being written out in letters).

[10] To be completed by the office where the goods were placed under the procedure or were in temporary storage.

2) Annex C2 is replaced by the following:

"ANNEX C2

GUARANTOR'S UNDERTAKING - INDIVIDUAL GUARANTEE IN THE FORM OF VOUCHERS

I. Undertaking by the guarantor

1. The undersigned [1]

……..

……..

resident at [2]

……..

……..

hereby jointly and severally guarantees, at the office of guarantee of

……...

in favour of the European Union (comprising the Kingdom of Belgium, the Republic of Bulgaria, the Czech Republic, the Kingdom of Denmark, the Federal Republic of Germany, the Republic of Estonia, the Hellenic Republic, the Republic of Croatia, the Kingdom of Spain, the French Republic, Ireland, the Italian Republic, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Grand Duchy of Luxembourg, the Republic of Hungary, the Republic of Malta, the Kingdom of the Netherlands, the Republic of Austria, the Republic of Poland, the Portuguese Republic, Romania, the Republic of Slovenia, the Slovak Republic, the Republic of Finland, the Kingdom of Sweden) and the Republic of Iceland, the former Yugoslav Republic of Macedonia, the Kingdom of Norway, the Republic of Serbia, the Swiss Confederation, the Republic of Turkey, the United Kingdom of Great Britain and Northern Ireland, the Principality of Andorra and the Republic of San Marino[3], any amount of the holder of the procedure for which the holder of the procedure may be or become liable to the abovementioned countries for debt in the form of duty and other charges due in connection with the import or export of the goods placed under the Union or common transit procedure, in respect of which the undersigned has undertaken to issue individual guarantee vouchers up to a maximum of EUR 10 000 per voucher.

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1 Surname and forename or name of firm.

2 Full address.

3 The references to the Principality of Andorra and the Republic of San Marino shall apply solely to Union transit operations.

2. The undersigned undertakes to pay upon the first application in writing by the competent authorities of the countries referred to in point 1 and without being able to defer payment beyond a period of 30 days from the date of application the sums requested, up to EUR 10 000 per individual guarantee voucher, unless he or she or any other person concerned establishes before the expiry of that period, to the satisfaction of the competent authorities, that the operation has been discharged.

   At the request of the undersigned and for any reasons recognised as valid, the competent authorities may defer beyond a period of 30 days from the date of application for payment the period within which he or she is obliged to pay the requested sums. The expenses incurred as a result of granting this additional period, in particular any interest, must be so calculated that the amount is equivalent to what would be charged under similar circumstances on the money market or financial market in the country concerned.

3. This undertaking shall be valid from the day of its approval by the office of guarantee. The undersigned shall remain liable for payment of any debt incurred during the Union or common transit operation covered by this undertaking and commenced before any revocation or cancellation of the guarantee took effect, even if the demand for payment is made after that date.

4. For the purpose of this undertaking, the undersigned gives his or her address for service in each of the other countries referred to in point 1 as [4]

Country	Surname and forenames, or name of firm, and full address

The undersigned acknowledges that all correspondence and notices and any formalities or procedures relating to this undertaking addressed to or effected in writing at one of his or her addresses for services shall be accepted as duly delivered to him or her.

The undersigned acknowledges the jurisdiction of the courts of the places where he or she has an address for service.

The undersigned undertakes not to change his or her address for service or, if he or she has to change one or more of those addresses, to inform the office of guarantee in advance.

Done at…….

on…….

…….

(Signature) [5]

[4] If, in the law of the country, there is no provision for address for service, the guarantor shall appoint, in this country, an agent authorised to receive any communications addressed to him and the acknowledgement in the second subparagraph and the undertaking in the fourth subparagraph of point 4 must be made to correspond. The courts of the places in which the addresses for service of the guarantor or of his agents are situated shall have jurisdiction in disputes concerning this guarantee.

[5] The signature must be preceded by the following in the signatory's own handwriting: "Valid as guarantee voucher".

II. Approval by the office of guarantee

Office of guarantee

……

…….

Guarantor's undertaking approved on……..

……..

(Stamp and Signature)

3) Annex C4 is replaced by the following:

"ANNEX C4

GUARANTOR'S UNDERTAKING – COMPREHENSIVE GUARANTEE

I. Undertaking by the guarantor

1. The undersigned [1]

……...

……...

resident at [2]

……...

……...

hereby jointly and severally guarantees, at the office of guarantee of

……...

up to a maximum amount of…….

in favour of the European Union (comprising the Kingdom of Belgium, the Republic of Bulgaria, the Czech Republic, the Kingdom of Denmark, the Federal Republic of Germany, the Republic of Estonia, Ireland, the Hellenic Republic, the Kingdom of Spain, the French Republic, the Republic of Croatia, the Italian Republic, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Grand Duchy of Luxembourg, Hungary, the Republic of Malta, the Kingdom of the Netherlands, the Republic of Austria, the Republic of Poland, the Portuguese Republic, Romania, the Republic of Slovenia, the Slovak Republic, the Republic of Finland, the Kingdom of Sweden) and the Republic of Iceland, the former Yugoslav Republic of Macedonia, the Kingdom of Norway, the Republic of Serbia, the Swiss Confederation, the Republic of Turkey, the United Kingdom of Great Britain and Northern Ireland [3], the Principality of Andorra and the Republic of San Marino [4],

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1 Surname and forename, or name of the firm.

2 Full address.

3 Delete the name/names of the country/countries on whose territory the guarantee may not be used.

4 The reference to the Principality of Andorra and the Republic of San Marino shall apply solely to Union transit operations.

any amount for which the person providing this guarantee [5]..... may be or become liable to the abovementioned countries for debt in the form of duty and other charges [6] which may be or have been incurred with respect to the goods covered by the customs operations indicated in point 1a and/or point 1b.

The maximum amount of the guarantee is composed of an amount of:

……

(a) being 100/50/30 % [7] of the part of the reference amount corresponding to an amount of customs debts and other charges which may be incurred, equivalent to the sum of the amounts listed in point 1a,
and

……

(b) being 100/30 % [7] of the part of the reference amount corresponding to an amount of customs debts and other charges which have been incurred, equivalent to the sum of the amounts listed in point 1b,

1a. The amounts forming the part of the reference amount corresponding to an amount of customs debts and, where applicable, other charges which may be incurred are following for each of the purposes listed below [8]:

(a) temporary storage - …,
(b) Union transit procedure/common transit procedure - …,
(c) customs warehousing procedure - …,
(d) temporary admission procedure with total relief from import duty - …,
(e) inward processing procedure - …,
(f) end-use procedure - …
(g) if another – indicate the other kind of operation - ….

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5 Surname and forename, or name of the firm, and full address of the person providing the guarantee.

6 Applicable with respect to the other charges due in connection with the import or export of the goods where the guarantee is used for the placing of goods under the Union/common transit procedure or may be used in more than one Member State or one Contracting Party.

7 Delete what does not apply.

8 Procedures other than common transit apply solely in the Union.

1b. The amounts forming the part of the reference amount corresponding to an amount of customs debts and, where applicable, other charges which have been incurred are as follows for each of the purposes listed below [8]:

(a) release for free circulation under normal customs declaration without deferred payment - …,

(b) release for free circulation under normal customs declaration with deferred payment - …,

(c) release for free circulation under a customs declaration lodged in accordance with Article 166 of Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code - …,

(d) release for free circulation under a customs declaration lodged in accordance with Article 182 of Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code - …,

(e) temporary admission procedure with partial relief from import duty - …,

(f) end-use procedure - … [9],

(g) if another – indicate the other kind of operation - ….

2. The undersigned undertakes to pay upon the first application in writing by the competent authorities of the countries referred to in point 1 and without being able to defer payment beyond a period of 30 days from the date of application the sums requested up to the limit of the abovementioned maximum amount, unless he or she or any other person concerned establishes before the expiry of that period, to the satisfaction of the customs authorities, that the special procedure other than the end-use procedure has been discharged, the customs supervision of end-use goods or the temporary storage has ended correctly or, in case of the operations other than special procedures, that the situation of goods has been regularised.

[9] For amounts declared in a customs declaration for the end-use procedure.

At the request of the undersigned and for any reasons recognised as valid, the competent authorities may defer beyond a period of 30 days from the date of application for payment the period within which he or she is obliged to pay the requested sums. The expenses incurred as a result of granting this additional period, in particular any interest, must be so calculated that the amount is equivalent to what would be charged under similar circumstances on the money market or financial market in the country concerned.

This amount may not be reduced by any sums already paid under the terms of this undertaking unless the undersigned is called upon to pay a debt incurred during a customs operation commenced before the preceding demand for payment was received or within 30 days thereafter.

3. This undertaking shall be valid from the day of its approval by the office of guarantee. The undersigned shall remain liable for payment of any debt arising during the customs operation covered by this undertaking and commenced before any revocation or cancellation of the guarantee took effect, even if the demand for payment is made after that date.

4. For the purpose of this undertaking, the undersigned gives his or her address for service [10] in each of the other countries referred to in point 1 as:

Country	Surname and forenames, or name of firm, and full address

The undersigned acknowledges that all correspondence and notices and any formalities or procedures relating to this undertaking addressed to or effected in writing at one of his or her addresses for services shall be accepted as duly delivered to him or her.

The undersigned acknowledges the jurisdiction of the courts of the places where he or she has an address for service.

The undersigned undertakes not to change his or her address for service or, if he or she has to change one or more of those addresses, to inform the office of guarantee in advance.

Done at ……

on ……..……..……..

……...

(Signature) [11]

[10] If in the law of the country, there is no provision for address for service, the guarantor shall appoint, in this country, an agent authorised to receive any communications addressed to him and the acknowledgement in the second subparagraph and the undertaking in the fourth subparagraph of point 4 must be made to correspond. The courts of the places in which the addresses for service of the guarantor or of his agents are situated shall have jurisdiction in disputes concerning this guarantee.

II. Approval by the office of guarantee

Office of guarantee

……

Guarantor's undertaking accepted on

……..

…….

(Stamp and Signature)

---

[11] The person signing the document must enter the following by hand before his or her signature "Guarantee for the amount of…" (the amount being written out in letters).

4) In Annex C5, row 7, the words "United Kingdom" are inserted between the words "Turkey" and "Andorra(*)".

5) In Annex C6, row 6, the words "United Kingdom" are inserted between the words "Turkey" and "Andorra(*)".