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LIMITE

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LEGISLATIVE ACTS AND OTHER INSTRUMENTS

COUNCIL DECISION on the position to be taken on behalf of the European Union within the Association Council established by the Euro-Mediterranean Agreement establishing an association between the European Communities and their Member States, of the one part, and the State of Israel, of the other part, as regards the amendment of that Agreement by replacing Protocol 4 concerning the definition of the concept of 'originating products' and methods of administrative cooperation

COUNCIL DECISION (EU) 2024/...

of ...

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 207(4), first subparagraph, in conjunction with Article 218(9) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) The Euro-Mediterranean Agreement establishing an association between the European Communities and their Member States, of the one part, and the State of Israel, of the other part¹ (the 'Agreement') was concluded by the Union by means of Decision 2000/384/EC, ECSC of the Council and the Commission² and entered into force on 1 June 2000. The Agreement includes Protocol 4 concerning the definition of the concept of 'originating products' and methods of administrative cooperation ('Protocol 4').
- (2) Pursuant to Article 39 of Protocol 4, the Association Council established under Article 67 of the Agreement (the 'Association Council') can decide to amend the provisions of Protocol 4.
- (3) At its next meeting or by an exchange of letters, the Association Council is to adopt a decision amending the Agreement by replacing Protocol 4.
- (4) It is appropriate to establish the position to be taken on the Union's behalf within the Association Council as the decision of the Association Council will have legal effects.
- (5) The Regional Convention on pan-Euro-Mediterranean preferential rules of origin³ (the 'Convention') was concluded by the Union by means of Council Decision 2013/94/EU⁴ and entered into force in relation to the Union on 1 May 2012. The State of Israel ('Israel') is also a Contracting Party to the Convention.

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¹ OJ L 147, 21.6.2000, p.3.

² Decision 2000/384/EC, ECSC of the Council and the Commission of 19 April 2000 on the conclusion of a Euro-Mediterranean Agreement establishing an association between the European Communities and their Member States, of the one part and the State of Israel, of the other part (OJ L 147, 21.6.2000, p. 1).

³ OJ L 54, 26.2.2013, p. 4.

⁴ Council Decision 2013/94/EU of 26 March 2012 on the conclusion of the Regional Convention on pan-Euro-Mediterranean preferential rules of origin (OJ L 54, 26.2.2013, p. 3).

- (6) The Convention lays down provisions on the origin of goods traded under the relevant agreements concluded between the Contracting Parties to the Convention. The Convention applies without prejudice to the principles laid down in those relevant agreements.
- (7) Article 6 of the Convention provides that each Contracting Party is to take appropriate measures to ensure that the Convention is effectively applied. To that effect, the Association Council should adopt a decision introducing in Protocol 4 a dynamic reference to the Convention, so as to refer always to the latest version of the Convention in force.
- (8) By means of Decision (EU) 2019/2198⁵, the Council supported amendments to the Convention providing for a new set of modernised and more relaxed rules of origin (the 'amendments to the Convention'). The amendments to the Convention will enter into force on 1 January 2025. The Union and Israel have signalled their willingness to apply that new set of rules as soon as possible bilaterally, on an alternative basis alongside the current rules while awaiting the entry into force of the amendments to the Convention.
- (9) At the technical meeting held in Brussels on 5 February 2020, the majority of the Contracting Parties to the Convention agreed to implement, on a transitional, bilateral basis, an alternative set of rules of origin based on the amendments to the Convention (the 'transitional rules'). The transitional rules apply in parallel with the rules of the Convention, pending the entry into force of the amendments to the Convention.
- (10) The application of the transitional rules ensures the adaptation of the trade flows and customs practices pending the entry into force of the amendments to the Convention.

⁵ Council Decision (EU) 2019/2198 of 25 November 2019 on the position to be taken on behalf of the European Union within the Joint Committee established by the Regional Convention on pan-Euro-Mediterranean preferential rules of origin as regards the amendment of the Convention (OJ L 339, 30.12.2019, p. 1).

- (11) Since 1 September 2021, a number of bilateral protocols on rules of origin among Contracting Parties to the Convention⁶ have entered into force, rendering the transitional rules applicable pending the entry into force of the amendments to the Convention.
- (12) In early 2021, the Union sent a proposal regarding the transitional rules to Israel. At the 11th meeting of the Customs Cooperation and Taxation Subcommittee held in Brussels on 12 January 2023, Israel informed the Union that the transitional rules could be acceptable provided that a system of 'permeability' is ensured. In light of Israel's proposal the Union's initial proposal was no longer relevant. The Union should therefore determine a position to be taken within the Association Council with regard to the transitional rules.
- (13) The objective of the transitional rules is to introduce less strict rules, making it easier for goods to qualify for preferential originating status. As the transitional rules are in general less strict than those of the Convention, goods fulfilling the rules of origin of the Convention could also qualify as originating under the transitional rules , with the exception of some agricultural products classified under Chapters 2, 4 to 15 and 16 (with the exception of processed fishery products) and Chapters 17 to 24 of the nomenclature under the 2022 version of the Harmonised System governed by the International Convention on the Harmonized Commodity Description and Coding System⁷, as amended.

⁶ The European Union, Iceland, the Swiss Confederation (including Liechtenstein), the Kingdom of Norway, the Faroe Islands, the State of Israel, the Hashemite Kingdom of Jordan, Palestine (this designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual positions of the Member States on this issue), the Republic of Albania, Bosnia and Herzegovina, Kosovo (this designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence), the Republic of North Macedonia, the Republic of Serbia, Montenegro, Georgia, the Republic of Moldova and Ukraine.

⁷ OJ L 198, 20.7.1987, p. 3.

- (14) The transitional rules are applicable in parallel with the rules of origin of the Convention creating two distinctive zones of cumulation. A provision on the general application of permeability between the Convention and the transitional rules should therefore be introduced in Protocol 4.
- (15) The position of the Union within the Association Council should therefore be based on the attached draft Decision,

HAS ADOPTED THIS DECISION:

Article 1

The position to be taken on the Union's behalf within the Association Council established by the Euro-Mediterranean Agreement establishing an association between the European Communities and their Member States, of the one part, and the State of Israel, of the other part, as regards the amendment of that Agreement by replacing Protocol 4 concerning the definition of the concept of 'originating products' and methods of administrative cooperation shall be based on the draft Decision of the Association Council attached to this Decision.

Article 2

This Decision shall enter into force on the date of its adoption and shall expire on 31 December 2025.

Done at Brussels, ...

For the Council The President