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PROPOSAL

From:	Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director
date of receipt:	1 February 2024
To:	Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union
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Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on temporary trade-liberalisation measures supplementing trade concessions applicable to Ukrainian products under the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and Ukraine, of the other part

Delegations will find attached document COM(2024) 50 final.

Encl.: COM(2024) 50 final



Brussels, 31.1.2024
COM(2024) 50 final

2024/0028 (COD)

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on temporary trade-liberalisation measures supplementing trade concessions applicable to Ukrainian products under the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and Ukraine, of the other part

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

• Reasons for and objectives of the proposal

Russia's unprovoked and unjustified war of aggression against Ukraine since 24 February 2022 has had a profound negative impact on Ukraine's ability to trade with the rest of the world, because of the toll imposed on human lives, the need to focus on the defence of the territory, vast populations being displaced, the destruction of production capacity and the unavailability of a significant share of transport means due to the restriction of the access to the Black Sea. In this difficult context, in its conclusions of 27 October 2023 and 15 December 2023, the European Council underlined that it will continue to provide strong political and economic support to Ukraine for as long as it takes. Furthermore, Ukraine has asked the Union to facilitate as much as possible the conditions to enable the country to maintain its trade position with the rest of the world and further deepen its trade relations with the Union. Measures to this end include facilitating logistics through the Agreement between the Union and Ukraine on the carriage of freight by road¹ and the EU-Ukraine Solidarity Lanes and increasing the degree of market liberalisation through Regulation (EU) 2022/870 of the European Parliament and of the Council of 30 May 2022² and Regulation (EU) 2023/1077 of the European Parliament and of the Council of 31 May 2023³ on temporary trade-liberalisation measures supplementing trade concessions applicable to Ukrainian products under the Association Agreement. Regulation (EU) 2023/1077 entered into force on 6 June 2023 and will be in force until 5 June 2024. These measures have proven to add flexibility and certainty for Ukrainian producers.

In view of Russia's continuing war of aggression against Ukraine, the resulting need to continue to support Ukraine economically, and considering that Ukraine was granted EU candidate status in June 2022 and Accession Negotiations were opened in December 2023, the Commission is proposing a Regulation of the European Parliament and of the Council renewing these trade-liberalisation measures, which should apply for a period of one year as of the date the current measures expire (i.e. as of 6 June 2024):

- Temporary suspension of all outstanding customs duties under Title IV of the Association Agreement between the EU and Ukraine (hereinafter referred to as 'the

¹ See Council Decision (EU) 2022/1158 of 27 June 2022 on the signing, on behalf of the Union, and provisional application of the Agreement between the European Union and Ukraine on the carriage of freight by road (OJ L 179, 6.7.2022, p. 1) and Council Decision (EU) 2022/2435 of 5 December 2022 on the conclusion, on behalf of the European Union, of the Agreement between the European Union and Ukraine on the carriage of freight by road (OJ L 319, 13.12.2022, p. 5) as well as Decision No 2/2023 of the Joint Committee established by the Agreement between the European Union and Ukraine on the carriage of freight by road of 16 March 2023 as regards the continuation of the Agreement (OJ L 123, 8.5.2023, p. 36).

² Regulation (EU) 2022/870 of the European Parliament and of the Council of 30 May 2022 on temporary trade-liberalisation measures supplementing trade concessions applicable to Ukrainian products under the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and Ukraine, of the other part (OJ L 152, 3.6.2022, p. 103).

³ Regulation (EU) 2023/1077 of the European Parliament and of the Council of 31 May 2023 on temporary trade-liberalisation measures supplementing trade concessions applicable to Ukrainian products under the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and Ukraine, of the other part (OJ L 144, 5.6.2023, p. 1).

Association Agreement')⁴ establishing a deep and comprehensive free trade area (DCFTA). This concerns two categories of products:

- fruits and vegetables subject to the entry-price system;
 - agricultural products and processed agricultural products subject to tariff-rate quotas.
- Temporary suspension of the application of Chapter V and Article 24 of the common rules for imports (safeguards)⁵ with respect of imports originating in Ukraine.

These temporary and exceptional measures will contribute to continuously supporting and fostering the existing trade flows from Ukraine to the Union. This is in line with one of the main objectives of the Association Agreement, which is to establish conditions for enhanced economic and trade relations leading towards Ukraine's gradual integration in the EU Internal Market.

The trade-liberalising measures provided for under the present proposal for a Regulation are taken in observance of the commitment in Article 2 of the Association Agreement which enshrines as an essential element of the Agreement the promotion of respect for the principles of sovereignty and territorial integrity, inviolability of borders and independence. In the same vein, the trade-liberalising measures themselves would be conditional upon respect for the same basic principles set out in Article 2, including those providing that the respect for democratic principles, human rights and fundamental freedoms and respect for the principle of the rule of law constitute essential elements of that Agreement.

Furthermore, the trade-liberalising measures contained in this proposal aim at ensuring, in accordance with Article 207(1) TFEU, that the Union's common commercial policy is conducted in the context of the principles and objectives of the Union's external action set out in Article 21 TEU.

According to the proposal, a safeguard mechanism will apply on the basis of regular monitoring, allowing for any measure which is necessary to be imposed. The safeguard mechanism also includes an obligation for the Commission to take measures if imports of poultry, eggs, and sugar exceed the arithmetic mean of quantities imported in 2022 and 2023.

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

These trade-liberalising measures would be consistent with the implementation of the Association Agreement and in particular with the Title IV establishing a DCFTA, which provides that Parties shall progressively establish a free trade area over a transitional period of a maximum of 10 years starting from the entry into force of that Agreement.

In addition, Regulation (EU) 2023/1077 has demonstrated the EU's strong commitment to economically support Ukraine by means of international trade in the context of Russia's war

⁴ The Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and Ukraine, of the other part (OJ L 161, 29.5.2014, p. 3) was signed by the Parties in two parts, in March and June 2014. The Association Agreement has been provisionally applied in some parts since 1 November 2014. The Deep and Comprehensive Free Trade Area (DCFTA) has been provisionally applied since 1 January 2016 and is fully in force since 1 September 2017 following ratification by all EU Member States.

⁵ Regulation (EU) 2015/478 of the European Parliament and of the Council of 11 March 2015 on common rules for imports (OJ L 83, 27.3.2015, p. 16).

of aggression against Ukraine. The renewal of the trade-liberalisation measures is a logical extension of this policy as the war of aggression as well as Ukraine's economic difficulties continue.

- **Consistency with other Union policies**

The European Union has strongly condemned Russia's war of aggression against Ukraine and has undertaken unprecedented steps to support Ukraine in this exceptional context, ranging from financial assistance, including macro-financial assistance for emergency measures and reconstruction, over the delivery of military equipment and the adoption of extensive sanctions against Russia and Belarus, to the intensification of cooperation under the Association Agreement. In addition, Ukraine was granted EU candidate status in June 2022 and Accession Negotiations were opened in December 2023. The proposed Regulation would therefore comply with and follow from the Union's obligation under Article 21(3) TEU to ensure consistency between the different areas of its external action, as well as with Article 207(1) TFEU which provides that the common commercial policy is to be conducted in the context of the principles and objectives of the Union's external actions.

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

- **Legal basis**

The legal basis for the proposal is Article 207(2) of the Treaty on the Functioning of the European Union.

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

The common commercial policy, in accordance with Article 3(1)(e) of the TFEU, is defined as an exclusive Union competence. Therefore, the subsidiarity principle does not apply.

- **Proportionality**

This proposal is necessary in order to implement the common commercial policy and to achieve the objective of supporting Ukraine in its current difficulties economically, also in the area of trade with the Union.

- **Choice of the instrument**

This proposal is in accordance with Article 207(2) TFEU, which envisages common commercial policy measures.

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**

In order to ensure a continuation of the trade-liberalisation measures for Ukraine after the expiry of Regulation (EU) 2023/1077 on 5 June 2024, it is important for the Regulation to enter into force on 6 June 2024. Given this necessity and the resulting urgency of this proposal, no impact assessment was carried out. However, the trade and trade-related provisions of the Association Agreement have been subject to a sustainability impact assessment commissioned by DG Trade in 2007 which fed into the DCFTA negotiation process. That study confirmed that implementation of trade and trade-related provisions would have a positive economic impact for the EU as well as for Ukraine.

In addition, import flows under Regulation (EU) 2023/1077 are regularly being monitored and reported. The monitoring has not shown prima facie evidence of adverse effects on the Union Market.

- **Regulatory fitness and simplification**

The measure does not increase the regulatory burden of companies.

- **Fundamental rights**

These measures respect the same basic principles as those enshrined in the Association Agreement between the EU and Ukraine. In particular, Article 2 of the Association Agreement with Ukraine provides that the respect for democratic principles, human rights and fundamental freedoms and respect for the principle of the rule of law, constitute essential elements of that Agreement.

The trade-liberalising measures would also be in accordance with the European Charter on Fundamental Rights.

4. BUDGETARY IMPLICATIONS

Based on an estimation according to the level of import volumes of products covered by the proposed Regulation in excess of the annual duty-free quota from Ukraine in 2021, the European Union would see a loss of EUR 33.4 million of customs revenue annually. The total estimated amount is thus EUR 33.4 million⁶ and therefore the impact on the EU's own resources will be very limited.

5. OTHER ELEMENTS

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

On-line reporting on the evolution of bilateral EU-Ukraine trade is available via dedicated websites of the European Commission. Regular monitoring of the impact of the Regulation, taking into account the information on exports, imports, prices on the Union market and Union production of the products subject to the trade-liberalisation measures shall be made on a bimonthly basis.

- **Explanatory documents (for directives)**

Not applicable.

⁶ The estimation in excess of the tariff rate quotas amounts to EUR 44.5 million. The loss of traditional own resources revenue from this Regulation is thus estimated at EUR 44.5 million (gross amount, including collection costs) x 0,75 = EUR 33.4 million for the period in question.

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

In view of the emergency situation in Ukraine, the measure aims at increasing the trade flows concerning all imports from Ukraine by suspending all outstanding tariffs and import duties applied to Ukrainian products. The trade-liberalising measures would be granted in the form of full suspension of import duties on all products.

Proposal for a

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on temporary trade-liberalisation measures supplementing trade concessions applicable to Ukrainian products under the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and Ukraine, of the other part

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,

Whereas:

- (1) The Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and Ukraine, of the other part² (the ‘Association Agreement’) constitutes the basis of the relationship between the Union and Ukraine. In accordance with Council Decision 2014/668/EU³, Title IV of the Association Agreement, which relates to trade and trade-related matters, has been applied provisionally since 1 January 2016, and entered into force on 1 September 2017, following ratification by all Member States.
- (2) The Association Agreement expresses the desire of the Parties to the Association Agreement (the ‘Parties’) to strengthen and widen relations in an ambitious and innovative way, to facilitate and achieve gradual economic integration, and to do so in compliance with the rights and obligations arising out of the World Trade Organization membership of the Parties.
- (3) Article 25 of the Association Agreement provides for the progressive establishment of a free trade area between the Parties in accordance with Article XXIV of the General Agreement on Tariffs and Trade 1994 (‘GATT 1994’). To that end, Article 29 of the Association Agreement provides for the progressive elimination of customs duties in

¹ Position of the European Parliament of dd.mm.2024 (not yet published in the Official Journal) and decision of the Council ...

² OJ L 161, 29.5.2014, p. 3.

³ Council Decision 2014/668/EU of 23 June 2014 on the signing, on behalf of the European Union, and provisional application of the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and Ukraine, of the other part, as regards Title III (with the exception of the provisions relating to the treatment of third-country nationals legally employed as workers in the territory of the other Party) and Titles IV, V, VI and VII thereof, as well as the related Annexes and Protocols (OJ L 278, 20.9.2014, p. 1).

accordance with the Schedules included therein and for the possibility of accelerating and broadening the scope of such elimination.

- (4) Russia's unprovoked and unjustified war of aggression against Ukraine since 24 February 2022 has had a profoundly negative impact on the ability of Ukraine to trade with the rest of the world, both because of the destruction of production capacity and the unavailability of a significant proportion of means of transport due to, for example, the restriction and uncertainty of access to the Black Sea. Under such exceptional circumstances and to mitigate the negative economic impact of Russia's war of aggression against Ukraine, it is necessary to accelerate the development of closer economic relations between the Union and Ukraine in order to provide continued support to the Ukrainian authorities and population. It is therefore necessary and appropriate to continue stimulating trade flows and granting concessions in the form of trade-liberalisation measures for all products, in line with the acceleration of the elimination of customs duties on trade between the Union and Ukraine.
- (5) In accordance with Article 21(3) of the Treaty on European Union (TEU), the Union is to ensure consistency between the different areas of its external action. Pursuant to Article 207(1) of the Treaty on the Functioning of the European Union (TFEU), the common commercial policy is to be conducted in the context of the principles and objectives of the Union's external action.
- (6) Regulation (EU) 2023/1077 of the European Parliament and of the Council⁴ expires on 5 June 2024.
- (7) The temporary trade-liberalisation measures established by this Regulation should take the following form: (i) the suspension of the application of the entry price system to fruit and vegetables; (ii) the suspension of tariff-rate quotas and import duties; and (iii) the suspension of the application of Chapter V and Article 24 of Regulation (EU) 2015/478 of the European Parliament and of the Council⁵. Through those measures, the Union will, in effect, temporarily provide appropriate economic and financial support to the benefit of Ukraine and the economic operators that are affected.
- (8) In order to prevent fraud, the preferential arrangements established by this Regulation should be conditional upon Ukraine complying with all the relevant conditions for obtaining benefits under the Association Agreement, including the rules of origin of products concerned and the procedures related thereto, as well as Ukraine's involvement in close administrative cooperation with the Union, as provided for by the Association Agreement.
- (9) The preferential arrangements established by this Regulation should also be conditional upon Ukraine abstaining from introducing new duties or charges having equivalent effect and new quantitative restrictions or measures having equivalent effect, from increasing existing levels of duties or charges, or from introducing any other restrictions on trade with the Union, unless clearly justified in the context of Russia's war of aggression.

⁴ Regulation (EU) 2023/1077 of the European Parliament and of the Council of 31 May 2023 on temporary trade-liberalisation measures supplementing trade concessions applicable to Ukrainian products under the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and Ukraine, of the other part (OJ L 144, 5.6.2023, p. 1-6).

⁵ Regulation (EU) 2015/478 of the European Parliament and of the Council of 11 March 2015 on common rules for imports (OJ L 83, 27.3.2015, p. 16).

- (10) The preferential arrangements established by this Regulation should also be conditional upon Ukraine's continued respect for the general principles of the Association Agreement. In this regard, Article 2 of the Association Agreement provides, among other things, that respect for democratic principles, human rights and fundamental freedoms, the promotion of respect for the principles of sovereignty and territorial integrity, inviolability of borders, and independence as well as countering the proliferation of weapons of mass destruction, related materials and their means of delivery constitute essential elements of the Association Agreement. Furthermore, Article 3 of the Association Agreement states that the rule of law, good governance, the fight against corruption, the fight against the different forms of trans-national organised crime and terrorism, the promotion of sustainable development and effective multilateralism are central to enhancing the relationship between the Parties.
- (11) Subject to an assessment by the Commission carried out in the context of the regular monitoring of the impact of this Regulation and launched either following a duly substantiated request from a Member State or on the Commission's own initiative, it is necessary to provide for the possibility to take any necessary measures for imports of any products falling under the scope of this Regulation which are adversely affecting the Union market or the market of one or several Member States for like or directly competing products. There is a particularly precarious situation in the markets for poultry, eggs, and sugar that may harm Union agricultural producers if imports from Ukraine were to increase. It is appropriate to introduce an automatic safeguard for eggs, poultry, and sugar products that is activated if quantities imported pursuant to this Regulation exceed the arithmetic mean of quantities in 2022 and 2023.
- (12) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission to temporarily suspend the preferential arrangements provided in Article 1(1) if the conditions for entitlement to those preferential arrangements are no longer complied with and to introduce safeguards in cases where the Union market or the market of one or several Member States of like or directly competing products are adversely affected by imports under this Regulation. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council⁶. Advisory procedure should be used for the adoption of provisional safeguard measures, given the effects and nature of those measures and their sequential logic in relation to the adoption of definitive safeguard measures.
- (13) The Commission's annual report on the implementation of the Deep and Comprehensive Free Trade Area, which is an integral part of the Association Agreement, should include a detailed assessment of the implementation of the trade-liberalisation measures established by this Regulation.
- (14) In view of the urgency of the matter related to the situation caused by Russia's war of aggression against Ukraine, it is considered to be appropriate to invoke the exception to the eight-week period provided for in Article 4 of Protocol No 1 on the role of national Parliaments in the European Union, annexed to the TEU, to the TFEU and to the Treaty establishing the European Atomic Energy Community.

⁶ 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).

- (15) In light of expiry of Regulation (EU) 2023/1077 on 5 June 2024, this Regulation should enter into force on 6 June 2024,

HAVE ADOPTED THIS REGULATION:

Article 1
Trade-liberalisation measures

1. The following preferential arrangements are introduced:
 - (a) the application of the entry price system shall be suspended for those products to which it applies as specified in Annex I-A to the Association Agreement. No customs duties shall apply to imports of those products;
 - (b) all the tariff-rate quotas established under Annex I-A to the Association Agreement shall be suspended and the products covered by those quotas shall be admitted for importation into the Union from Ukraine without any customs duties.
2. The application of Chapter V and Article 24 of Regulation (EU) 2015/478 shall be temporarily suspended with regard to imports originating in Ukraine.

Article 2
Conditions for entitlement to the preferential arrangements

The preferential arrangements provided in Article 1(1) shall be subject to the following conditions:

- (a) compliance with the rules of origin of products and the procedures related thereto as provided for in the Association Agreement;
- (b) Ukraine's abstention from introducing new duties or charges having equivalent effect and new quantitative restrictions or measures having equivalent effect for imports originating in the Union, from increasing existing levels of duties or charges, or from introducing any other restrictions on trade with the Union, including discriminatory internal administrative measures, unless clearly justified in the war context; and
- (c) Ukraine's respect for democratic principles, human rights and fundamental freedoms and respect for the principle of the rule of law as well as continued and sustained efforts with regard to the fight against corruption, and illegal activities provided for in Articles 2, 3 and 22 of the Association Agreement.

Article 3
Temporary suspension

1. Where the Commission finds that there is sufficient evidence of Ukraine's failure to comply with the conditions set out in Article 2, it may, by means of an implementing act, suspend in whole or in part the preferential arrangements provided for in Article 1(1). That implementing act shall be adopted in accordance with the examination procedure referred to in Article 5(3).
2. Where a Member State requests that the Commission suspends any of the preferential arrangements on the basis of Ukraine's failure to comply with the conditions set out in Article 2, point (b), the Commission shall provide a reasoned opinion within four months of the request on whether the claim of Ukraine's failure

to comply is substantiated. If the Commission concludes that the claim is substantiated, it shall initiate the procedure referred to in paragraph 1 of this Article.

Article 4 *Safeguard measures*

1. If a product covered by Article 1(1) originating in Ukraine is imported under conditions which adversely affect the Union market or the market of one or several Member States for like or directly competing products, the Commission may impose any measure which is necessary by means of an implementing act. That implementing act shall be adopted in accordance with the examination procedure referred to in Article 5(3).

These measures may be imposed for as long as necessary to counteract the adverse effects on the Union market or the market of one or several Member States for like or directly competing products.

2. The Commission shall regularly monitor the impact of this Regulation, taking into account the information on exports, imports, prices on the Union market or the market of one or several Member States and Union production of the products subject to the trade-liberalisation measures under Article 1(1), point (b).

The Commission shall inform the Member States of the results of the regular monitoring every two months, starting from the entry into force of this Regulation.

3. The Commission shall carry out an assessment of the situation of the Union market or the market of one or several Member States for like or directly competing products to impose measures in accordance with paragraph 1. That assessment shall be launched:
 - (a) following a duly substantiated request from a Member State including sufficient *prima facie* evidence reasonably available to that Member State pursuant to paragraph 4 of imports adversely affecting the market referred to in paragraph 1, or
 - (b) on its own initiative, after it has become apparent to the Commission that there is sufficient *prima facie* evidence of imports adversely affecting the market that is referred to in paragraph 1.

The assessment referred to in the first subparagraph shall be concluded within four months of its launch.

4. In carrying out the assessment pursuant to paragraph 3, the Commission shall take into consideration all relevant market developments, including the impact of the imports concerned on the situation of the Union market or the market of one or several Member States for like or directly competing products. That assessment shall include factors such as:
 - (a) the rate and amount of the increase in imports from Ukraine of the product concerned in absolute and relative terms,
 - (b) the effect of the imports concerned on production and prices in the Union or in one or several Member States, whilst taking into consideration the development of imports from other sources.

This list is not exhaustive and other relevant factors may also be taken into consideration.

5. In critical circumstances where delay would cause damage that would be difficult to repair, the Commission may provisionally impose any measure which is necessary by means of an implementing act. Such measures may only be imposed upon a duly substantiated request from a Member State pursuant to paragraph 3(a) of this Article and shall be adopted within 21 days after the request has been received. The implementing act shall be adopted in accordance with the advisory procedure referred to in Article 5(4). The duration of a provisional safeguard measure shall not exceed 120 days.
6. Where, as a result of the assessment referred to in paragraph 3, the Commission considers that the Union market or the market of one or several Member States for like or directly competing products has been adversely affected and intends to impose a definitive measure pursuant to paragraph 1, it shall publish a notice in the Official Journal of the European Union announcing the introduction of such measures. The notice shall provide a summary of the main results of the assessment and specify the period within which interested parties may submit their views in writing. Such period shall not exceed 10 days from the date of publication of the notice.
7. If, during the period 6 June to 31 December 2024, cumulative import volumes of either eggs, poultry or sugar since 1 January 2024 reach the respective arithmetic mean of import volumes recorded in 2022 and 2023, the Commission shall, within 21 days and after informing the Committee on Safeguards established by Article 3(1) of Regulation (EU) 2015/478:
 - (a) reintroduce for that product the corresponding tariff-rate quota suspended by Article 1(1), point b, until 31 December 2024; and
 - (b) introduce from 1 January 2025 either a tariff-rate quota equal to five twelfths of that arithmetic mean or the corresponding tariff-rate quota suspended by Article 1(1), point b, whichever is higher.

If, during the period 1 January to 5 June 2025, cumulative import volumes of either eggs, poultry or sugar for the period since 1 January 2025 reach five twelfths of the respective arithmetic mean of import volumes recorded 2022 and 2023, the Commission shall, within 21 days and after informing the Committee on Safeguards, reintroduce for that product the corresponding tariff-rate quota suspended by Article 1(1), point b.

For the purposes of this paragraph, the terms eggs, poultry and sugar refer to all products covered by the tariff-rate quotas in the Appendix to Annex I-A of the Association Agreement for, respectively, eggs and albumins, poultry meat and poultry meat preparations, and sugars, and the arithmetic mean shall be calculated by dividing the sum of import volumes in 2022 and 2023 by two.
8. If the Commission imposes a measure pursuant to paragraph 1, 5, or 7 which reintroduces a tariff-rate quota suspended by Article 1(1), point b, the quantity imported during the calendar year the Commission imposes that measure shall be taken into account in the management of that tariff rate quota.

Article 5
Committee procedure

1. The Commission shall be assisted by the Customs Code Committee established by Article 285(1) of Regulation (EU) No 952/2013 of the European Parliament and of

the Council⁷ with regard to Article 3(1) of this Regulation. That Committee shall be a committee within the meaning of Regulation (EU) No 182/2011.

2. The Commission shall be assisted by the Committee on Safeguards established by Article 3(1) of Regulation (EU) 2015/478 with regard to Article 4(1) of this Regulation. That Committee shall be a committee within the meaning of Regulation (EU) No 182/2011.
3. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.
4. Where reference is made to this paragraph, Article 4 of Regulation (EU) No 182/2011 shall apply.

Article 6

Assessment of the implementation of the trade-liberalising measures

The Commission's annual report on the implementation of the Deep and Comprehensive Free Trade Area shall include a detailed assessment of the implementation of the trade-liberalisation measures provided for in this Regulation and shall include, insofar as appropriate, an assessment of the social impact of those measures in Ukraine and in the Union. Information on imports of products under Article 1(1), point (b), shall be made available via the website of the Commission and shall be updated on a monthly basis.

Article 7

Entry into force and application

This Regulation shall enter into force on 6 June 2024.

This Regulation shall apply until 5 June 2025.

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

Done at Brussels,

For the European Parliament
The President

For the Council
The President

⁷ 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).

**LEGISLATIVE FINANCIAL STATEMENT FOR PROPOSALS HAVING A
BUDGETARY IMPACT EXCLUSIVELY LIMITED TO THE REVENUE SIDE**

1. NAME OF THE PROPOSAL:

Proposal for a Regulation of the European Parliament and of the Council on temporary trade liberalisation supplementing trade concessions applicable to Ukrainian products under the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and Ukraine, of the other part.

2. BUDGET LINES:

Chapter 12, Article 120

Amount budgeted for the year 2024: **24 620 400 000 €**

3. FINANCIAL IMPACT

Proposal has no financial implications

Proposal has no financial impact on expenditure but has a financial impact on revenue – the effect is as follows:

Budget line	Revenue	Period: part of 2024 - part of 2025* (EUR million to one decimal place)
Article 120 Chapter 12 ⁸	<i>Impact on own resources</i>	33.4
Total		

* One-year period since entry into force of the regulation

The calculations are based on 2021 import volumes of products covered by the proposed Regulation in excess of the annual duty-free quota (i.e. 40 tariff rate quotas).

Based on the above calculations the loss of traditional own resources revenue from the proposed Regulation is estimated at EUR 44.5 million (gross amount, including collection costs) x 0,75 = EUR 33.4 million for the period in question.

⁸ Regarding traditional own resources (agricultural duties, sugar levies, customs duties) the amounts indicated must be net amounts, i.e. gross amounts after deduction of 25 % of collection costs.

4. ANTI-FRAUD MEASURES

In order to prevent fraud, the entitlement to the trade measures established by the proposed Regulation should be conditional upon Ukraine having complied with all the relevant conditions for obtaining benefits under the Association Agreement, including the rules of origin of products concerned and the procedures related thereto, as well as Ukraine's involvement in close administrative cooperation with the Union, as provided for by the Association Agreement.