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LIMITE

WTO 28
AGRI 56
UD 47
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LEGISLATIVE ACTS AND OTHER INSTRUMENTS

Subject: Agreement in the form of an exchange of letters between the European Union and the Commonwealth of Australia pursuant to Article XXVIII of the General Agreement on Tariffs and Trade (GATT) 1994 relating to the modification of concessions on all the tariff-rate quotas included in the EU Schedule CLXXV as a consequence of the United Kingdom's withdrawal from the European Union

AGREEMENT
IN THE FORM OF AN EXCHANGE OF LETTERS
BETWEEN THE EUROPEAN UNION
AND THE COMMONWEALTH OF AUSTRALIA
PURSUANT TO ARTICLE XXVIII OF THE GENERAL AGREEMENT ON TARIFFS
AND TRADE (GATT) 1994 RELATING TO THE MODIFICATION OF CONCESSIONS
ON ALL THE TARIFF-RATE QUOTAS INCLUDED IN THE EU SCHEDULE CLXXV
AS A CONSEQUENCE OF THE UNITED KINGDOM'S WITHDRAWAL
FROM THE EUROPEAN UNION

A. Letter from the European Union

Dear Sir/Madam,

Following negotiations under Article XXVIII of the General Agreement on Tariffs and Trade (GATT) 1994 relating to the modification of concessions on tariff-rate quotas included in the European Union Tariff Schedule CLXXV as a consequence of the United Kingdom's withdrawal from the European Union ("EU") as communicated to WTO Members in document G/SECRET/42/Add.2, Australia and the EU agree to conclude the negotiations on the following basis:

Without prejudice to future negotiations under Article XXVIII of the GATT 1994 and for the purposes of the United Kingdom's withdrawal from the EU only, Australia agrees with the principle and methodology of apportioning the scheduled quantitative commitments in the form of the tariff-rate quotas of the EU that included the United Kingdom, whereby an apportioned quantity of those quotas is taken on by the EU without the United Kingdom and the remainder taken on by the United Kingdom. This reflects the unique circumstances resulting from the United Kingdom's withdrawal from the EU.

In respect of the tariff-rate quotas where Australia has negotiating or consultation rights under Article XXVIII of the GATT 1994, Australia agrees and is satisfied with the proposed tariff-rate quota quantity commitments as set out in document G/SECRET/42/Add.2 taken on by the EU without the United Kingdom.

Notwithstanding the previous paragraph, with respect to the tariff-rate quotas below Australia and the EU agree as follows:

- Tariff-rate quota 005 (Meat of bovine animals/Edible offal of bovine animals): the EU volume of the Australian country specific part will be adjusted to 3 389 tonnes;
- Tariff-rate quota 020 (Meat of sheep or goats: fresh, chilled or frozen): the EU volume of the Australian country specific part will be adjusted to 5 851 tonnes;
- Tariff-rate quota 038 (Cheese for processing): the EU volume of the Australian country specific quota will be adjusted to 150 tonnes;
- Tariff-rate quota 040 (Cheddar): the EU volume of the Australian country specific quota will be adjusted to 1 113 tonnes;
- Tariff-rate quota 076 (Semi-milled and wholly milled rice): the Australian sub-allocation of this quota administered internally under the relevant EU legislation will be adjusted to 240 tonnes. The EU agrees to extend the period of imports for the Australian rice sub-allocation starting from the beginning of the tariff-rate quota period on 1 January without any volume restrictions in the relevant subsequent sub-periods (i.e. 1 January to 30 September). The EU will maintain the existing quota reallocation arrangements on a most-favoured nation basis from 1 October to 31 December;

- Tariff-rate quota 098 (raw cane sugar for refining): the EU volume of the Australia's country specific quota will be adjusted to 9 925 tonnes.

This agreement does not prejudice negotiations between the EU and other WTO Members with rights under Article XXVIII of the GATT 1994 as regards the *erga omnes* tariff-rate quotas concerned. The EU undertakes to consult with Australia if the result of those negotiations would change the shares set out in the document G/SECRET/42/Add.2.

The EU and Australia shall notify each other of the completion of their internal procedures for the entry into force of this Agreement. This Agreement shall enter into force on the date of the last notification.

I should be obliged if you would confirm that your Government is in agreement with the above.

I have the honour to propose that this letter and your Government's confirmation shall together constitute an Agreement in the form of an Exchange of Letters between the European Union and the Commonwealth of Australia, including for the purposes of Article XXVIII:3(a) and (b) of the GATT 1994.

Please accept, Sir/Madam, the assurance of my highest consideration.

For the European Union

B. Letter from Australia

Dear Sir/Madam,

I have the honour to acknowledge the receipt of your letter of today's date, which reads as follows:

"Following negotiations under Article XXVIII of the General Agreement on Tariffs and Trade (GATT) 1994 relating to the modification of concessions on tariff-rate quotas included in the European Union Tariff Schedule CLXXV as a consequence of the United Kingdom's withdrawal from the European Union ('EU') as communicated to WTO Members in document G/SECRET/42/Add.2, Australia and the EU agree to conclude the negotiations on the following basis:

Without prejudice to future negotiations under Article XXVIII of the GATT 1994 and for the purposes of the United Kingdom's withdrawal from the EU only, Australia agrees with the principle and methodology of apportioning the scheduled quantitative commitments in the form of the tariff-rate quotas of the EU that included the United Kingdom, whereby an apportioned quantity of those quotas is taken on by the EU without the United Kingdom and the remainder taken on by the United Kingdom. This reflects the unique circumstances resulting from the United Kingdom's withdrawal from the EU.

In respect of the tariff-rate quotas where Australia has negotiating or consultation rights under Article XXVIII of the GATT 1994, Australia agrees and is satisfied with the proposed tariff-rate quota quantity commitments as set out in document G/SECRET/42/Add.2 taken on by the EU without the United Kingdom.

Notwithstanding the previous paragraph, with respect to the tariff-rate quotas below Australia and the EU agree as follows:

- Tariff-rate quota 005 (Meat of bovine animals/Edible offal of bovine animals): the EU volume of the Australian country specific part will be adjusted to 3 389 tonnes;
- Tariff-rate quota 020 (Meat of sheep or goats: fresh, chilled or frozen): the EU volume of the Australian country specific part will be adjusted to 5 851 tonnes;
- Tariff-rate quota 038 (Cheese for processing): the EU volume of the Australian country specific quota will be adjusted to 150 tonnes;
- Tariff-rate quota 040 (Cheddar): the EU volume of the Australian country specific quota will be adjusted to 1 113 tonnes;
- Tariff-rate quota 076 (Semi-milled and wholly milled rice): the Australian sub-allocation of this quota administered internally under the relevant EU legislation will be adjusted to 240 tonnes. The EU agrees to extend the period of imports for the Australian rice sub-allocation starting from the beginning of the tariff-rate quota period on 1 January without any volume restrictions in the relevant subsequent sub-periods (i.e. 1 January to 30 September). The EU will maintain the existing quota reallocation arrangements on a most-favoured nation basis from 1 October to 31 December;

- Tariff-rate quota 098 (raw cane sugar for refining): the EU volume of the Australia's country specific quota will be adjusted to 9 925 tonnes.

This agreement does not prejudice negotiations between the EU and other WTO Members with rights under Article XXVIII of the GATT 1994 as regards the *erga omnes* tariff-rate quotas concerned. The EU undertakes to consult with Australia if the result of those negotiations would change the shares set out in the document G/SECRET/42/Add.2.

The EU and Australia shall notify each other of the completion of their internal procedures for the entry into force of this Agreement. This Agreement shall enter into force on the date of the last notification.

I should be obliged if you would confirm that your Government is in agreement with the above.

I have the honour to propose that this letter and your Government's confirmation shall together constitute an Agreement in the form of an Exchange of Letters between the European Union and the Commonwealth of Australia, including for the purposes of Article XXVIII:3(a) and (b) of the GATT 1994."

I hereby have the honour to express my Government's agreement with the above letter.

For the Commonwealth of Australia