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To:	Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union
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Delegations will find attached document COM(2019) 79 final.

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I. Introduction

In 2015, the European Union (EU) adopted Regulation (EU) 2015/936[1] of the European Parliament and of the Council of 9 June 2015 on common rules for imports of textile products from certain third countries not covered by bilateral agreements, protocols or other arrangements, or by other specific Union import rules ("the EU Regulation" hereinafter).

The EU Regulation is a recast of Council Regulation (EC) No 517/94 of 7 March 1994 on common rules for imports of textile products from certain third countries not covered by bilateral agreements, protocols or other arrangements, or by other specific Community import rules, which has been substantially amended several times, and lays down the provisions for surveillance and safeguard measures of textile products originating in a limited number of third countries, and also lays down provisions for annual quantitative limits for certain textile products originating in Democratic People's Republic of Korea. A Commission implementing regulation laying down rules for the management and distribution of textile quotas is adopted at the end of every calendar year.

Pursuant nuclear tests in the Democratic People's Republic of Korea, the UN Security Council adopted the resolution 2375 (2017) on 11 September 2017 which has been transposed into EU legislation[2]. Following the adoption of these amendments, Article 16(h) of the Council Regulation (EU) 2017/1509 of 30 August 2017 concerning restrictive measures against the Democratic People's Republic of Korea and repealing Regulation (EC) No 329/2007 as amended by Council Regulation (EU) 2017/1836 of 10 October 2017 amending Regulation (EU) 2017/1509 concerning restrictive measures against the Democratic People's Republic of Korea states that "*It shall be prohibited to import, purchase or transfer, directly or indirectly, textiles, […], from the DPRK, whether or not originating in the DPRK."* As long as this persists, the relevant provisions of the EU Regulation remain inactive.

II. Legal Basis

In line with Article 31(2) of the Regulation (EU) 2015/936 of the European Parliament and of the Council of 9 June 2015, the Commission shall draw up a report to the Council and the European Parliament in respect of the delegation of power.

III. Exercise of the Delegation

[1] OJ L 160, 25.6.2015

[2] by adopting Council Regulation (EU) 2017/1836 of 10 October 2017 amending Regulation (EU) 2017/1509 concerning restrictive measures against the Democratic People's Republic of Korea which amended Council Regulation (EU) 2017/1509 of 30 August 2017 concerning restrictive measures against the Democratic People's Republic of Korea and repealing Regulation (EC) No 329/2007.

The EU Regulation confers powers upon the Commission in order to implement some of the provisions of that Regulation in particular:

- as regards the establishment of annual quantitative limit for textile products referred to Annex IV of the EU Regulation and originating in the third countries indicated therein;
- as regards the adaptation of Annexes III and IV of the EU Regulation where problems could be detected as regards their effective functioning.
- as regards the amendments of the Annexes to the EU Regulation, by altering the import rules by providing that the goods may be put into free circulation only on production of an import authorisation, the granting of which shall be subject to limits.
- as regards the amendments of the Annexes to the EU Regulation to take into account the conclusion, amendment or expiry of agreements or arrangements with third countries or amendments made to Union rules on statistics, customs arrangements or common rules for imports.

The Commission adopted only one delegated act since 20 February 2014: *Commission Delegated Regulation (EU) 2018/173 of 29 November 2017 amending Regulation (EU) 2015/936 of the European Parliament and of the Council as regards updating the Combined Nomenclature codes listed in Annex I to that Regulation.*[3] This Delegated Regulation was adopted in order to technically align the EU Regulation with the Commission Implementing Regulation (EU) 2016/1821 of 6 October 2016 amending Annex I to Council Regulation (EEC) No 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff. This technical adaptation did not result in any material change.

IV. Conclusions

The Commission invites the European Parliament and the Council to take note of this report in the context of proper exercise by the Commission of the powers delegated by the EU Regulation.

[3] OJ L 32, 6.2.2018, p. 12.