Regulation (EU) 2020/2172 of the European Parliament and of the Council of 16 December 2020 amending Council Regulation (EC) No 1215/2009 introducing exceptional trade measures for countries and territories participating in or linked to the European Union's Stabilisation and Association process

REGULATION (EU) 2020/2172 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of 16 December 2020

amending Council Regulation (EC) No 1215/2009 introducing exceptional trade measures for countries and territories participating in or linked to the European Union's Stabilisation and Association process

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 procedure[(1)],

Whereas:

(1) Council Regulation (EC) No 1215/2009[(2)] provided for unlimited duty free access to the Union market for nearly all products originating in the participants in the Stabilisation and Association process to the extent that and until such time as bilateral agreements with those beneficiary parties were concluded.

(2) Stabilisation and Association Agreements have now been concluded with all six beneficiary parties. The Stabilisation and Association Agreement between the European Union and the European Atomic Energy Community, of the one part, and Kosovo[(3)], of the other part, is the last one to be concluded and entered into force on 1 April 2016.

(3) Commission Delegated Regulation (EU) 2017/1464[(4)] amended Regulation (EC) No 1215/2009, removing the bilateral preferences granted to Kosovo but maintaining the unilateral preference granted to all Western Balkan beneficiary parties in the form of the suspension of all duties for products covered by Chapters 7 and 8 of the Combined Nomenclature and their access to the global wine tariff rate quota of 30 000 hl.

(4) Having regard to differences in the scope of the tariff liberalisation under the regimes provided for under the Stabilisation and Association Agreements between the Union and all participants in the Stabilisation and Association process and the preferences granted under Regulation (EC) No 1215/2009, it is appropriate to extend the period of application of Regulation (EC) No 1215/2009 until 31 December 2025.

(5) The extension of the period of application of Regulation (EC) No 1215/2009 is considered to be a suitable guarantee of the Union's enhanced engagement and

Changes to legislation: *There are currently no known outstanding effects for the Regulation (EU) 2020/2172 of the European Parliament and of the Council. (See end of Document for details)*

commitment to the trade integration of the Western Balkans. The current system of autonomous trade measures remains a valuable support for the economies of the Western Balkan partners.

(6) In addition, the denomination of two beneficiary parties needs to be amended to reflect the latest agreed terminology.

(7) Regulation (EC) No 1215/2009 should therefore be amended accordingly,

HAVE ADOPTED THIS REGULATION:

Article 1

Regulation (EC) No 1215/2009 is amended as follows:

(1) Articles 1 and 2 are replaced by the following:

Article 1

Preferential arrangements

1 Products originating in Albania, Bosnia and Herzegovina, Kosovo[(5)], Montenegro, North Macedonia, and Serbia ('the beneficiary parties') covered by Chapters 7 and 8 of the Combined Nomenclature shall be admitted for import into the Union without quantitative restrictions or measures having equivalent effect, and with exemption from custom duties and charges having equivalent effect.

2 Products originating in the beneficiary parties shall continue to benefit from the provisions of this Regulation where so indicated therein. Such products shall also benefit from any concession provided for in this Regulation which is more favourable than that provided for under bilateral agreements between the Union and those beneficiary parties.

Article 2

Conditions for entitlement to the preferential arrangements

1 Entitlement to benefit from the preferential arrangements introduced by Article 1 shall be subject to the following conditions:

- a compliance with the definition of "originating products" provided for in Title II, Chapter 1, Section 2, Subsections 4 and 5 of Commission Delegated Regulation (EU) 2015/2446[(6)], and Title II, Chapter 2, Section 2, Subsections 10 and 11 of Commission Implementing Regulation (EU) 2015/2447[(7)];
- b abstention of the beneficiary parties from introducing new duties and charges having equivalent effect and new quantitative restrictions or measures having equivalent effect in respect of imports originating in the Union, from increasing existing levels of duties or charges or from introducing any other restrictions from 30 September 2000;
- c the involvement of beneficiary parties in effective administrative cooperation with the Union in order to prevent any risk of fraud; and
- d abstention of the beneficiary parties from engaging in serious and systematic violations of human rights, including core labour rights, of fundamental principles of democracy and of the rule of law.

2 Without prejudice to the conditions set out in paragraph 1 of this Article, entitlement to benefit from the preferential arrangements referred to in Article 1 shall be subject to the readiness of the beneficiary parties to engage in effective economic reforms and in regional cooperation with other countries involved in the European Union's Stabilisation and Association process, in particular through the establishment of free trade areas in accordance with Article XXIV of the GATT 1994 and other relevant WTO provisions.

In the event of non-compliance with the first subparagraph, the Council may take the appropriate measures by a qualified majority vote, on the basis of a Commission proposal.

3 In the event of non-compliance by a beneficiary party with point (a), (b) or (c) of paragraph 1 or with paragraph 2 of this Article, the Commission may, by means of implementing acts, suspend, in whole or in part, the entitlement of the beneficiary party concerned to benefits under this Regulation. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 8(4).;

(2) Article 3 is amended as follows:

(a) paragraph 1 is replaced by the following:

1. For certain wine products, as listed in Annex I, originating in the beneficiary parties, the customs duties applicable to imports into the Union shall be suspended during the periods, at the levels, within the limits of the Union tariff quota and under the conditions indicated for each product and origin set out in that Annex.;

(b) paragraph 2 is deleted;

(3) Article 4 is deleted;

(4) in Article 5, the first paragraph is replaced by the following:

The tariff quotas referred to in Article 3(1) of this Regulation shall be administered by the Commission in accordance with Title II, Chapter 1, Section 1 of Implementing Regulation (EU) 2015/2447.;

(5) in Article 7, points (b) and (c) are replaced by the following:

(b) necessary adjustments following the granting of trade preferences under other arrangements between the Union and the beneficiary parties;

(c) suspension, in whole or in part, of the entitlement of a beneficiary party concerned to benefits under this Regulation, in the event of non-compliance by that beneficiary party with point (d) of Article 2(1).;

(6) in Article 8, paragraph 3 is deleted;

(7) In Article 10, paragraph 1 is replaced by the following:

1. Where the Commission finds that there is sufficient evidence of fraud or failure to provide administrative cooperation as required for the verification of evidence of origin, or that there is a massive increase in exports into the Union above the level of normal production and export capacity or a failure of compliance with point (a), (b) or (c) of Article 2(1) by the beneficiary parties, it may take measures