Commission Implementing Regulation (EU) 2017/1781 of 28 September 2017 on the derogations from the product-specific rules of origin laid down in the Comprehensive Economic and Trade Agreement between Canada of the one part, and the European Union and its Member States, of the other part, that apply within the limits of annual quotas for certain products from Canada

COMMISSION IMPLEMENTING REGULATION (EU) 2017/1781

of 28 September 2017

on the derogations from the product-specific rules of origin laid down in the Comprehensive Economic and Trade Agreement between Canada of the one part, and the European Union and its Member States, of the other part, that apply within the limits of annual quotas for certain products from Canada

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code[(1)], and in particular Article 58(1) thereof,

Whereas:

(1) By Council Decision (EU) 2017/38[(2)], the Council authorised the provisional application of the Comprehensive Economic and Trade Agreement between Canada, of the one part, and the European Union and its Member States, of the other part ('the Agreement')[(3)].

(2) Annex 5 to the Protocol on rules of origin and origin procedures attached to the Agreement ('the Origin Protocol') lays down product-specific rules of origin. For a number of products, Annex 5-A to the Origin Protocol provides for derogations to the product-specific rules of origin that apply within the limits of annual quotas.

(3) The quotas set out in Annex 5-A to the Origin Protocol should be managed on a 'first-come, first-served' basis in accordance with Commission Implementing Regulation (EU) 2015/2447[(4)].

(4) For certain products, the volumes of the quotas are to be increased if the conditions laid down in Annex 5-A to the Origin Protocol are fulfilled.

(5) In accordance with the publication in the *Official Journal of the European Union*, the Agreement is to be applied provisionally from 21 September 2017[(5)]. In order to ensure the effective application and management of the origin quotas granted under the Agreement that the Commission is to manage on a 'first-come, first-served', this Regulation should apply from 21 September 2017.

(6) The measures provided for in this Regulation are in accordance with the opinion of the Customs Code Committee,

HAS ADOPTED THIS REGULATION:

Changes to legislation: *There are currently no known outstanding effects for the Commission Implementing Regulation (EU) 2017/1781. (See end of Document for details)*

Article 1

The derogations from the product-specific rules of origin set out in Annex 5-A to the Protocol on rules of origin and origin procedures attached to the Comprehensive Economic and Trade Agreement between Canada, of the one part, and the European Union and its Member States, of the other part ('the Origin Protocol'), shall apply to the products listed in the Annex to this Regulation within the quotas set out in that Annex.

Article 2

The quotas set out in the Annex to this Regulation shall be managed in accordance with Articles 49 to 54 of Implementing Regulation (EU) 2015/2447.

Article 3

1 For the products listed in section B of the Annex, the volumes of the quotas shall be increased, from 1 January of the year in question, by 10 % of the volumes assigned in the previous calendar year, if more than 80 % of the corresponding quota is used up in that year. This paragraph shall apply for the first time on 1 January 2019 and for the last time on 1 January 2022.

2 For the products listed in section C of the Annex, the volumes of the quotas shall be increased, from 1 January of the year in question, by 3 % of the volumes assigned in the previous calendar year, if more than 80 % of the corresponding quota is used up in that year. This growth provision shall apply for the first time on 1 January 2019 and for the last time on 1 January 2028.

Article 4

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 21 September 2017.

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

Done at Brussels, 28 September 2017.

For the Commission

The President

Jean-Claude JUNCKER

ANNEX

Notwithstanding the rules for the interpretation of the Combined Nomenclature, the scope of the preferential scheme shall be determined, within the context of this Annex, by the CN codes as they exist at the time of adoption of this Regulation, *in accordance with Annex I to Council Regulation (EEC) No 2658/87, as amended by Commission Implementing Regulation (EU) 2016/1821*. Where an 'ex' CN code is indicated, the scope of the preferential scheme shall be determined by the CN code as it exists at the time of adoption of this Regulation, in accordance with Annex I to Council Regulation (EEC) No 2658/87, as amended by Commission Implementing Regulation (EU) 2016/1821, and the description of the product in the tables of this Annex taken together.

SECTION A: AGRICULTURAL PRODUCTS

Order No	CN code	TARIC subdivision	Description of products	Quota period	Quota volume (in tonnes net weight unless otherwise specified)
09.8300[a]	ex 1302 20 10 ex 1302 20 90	61, 69 61, 69	Pectic substances, pectinates and pectates, containing 65 % or more by net weight of added cane or beet sugar of subheadings 1701 91 to 1701 99[b]	From 21.9.2017 to 31.12.2017	8 384
	1806 10 30 1806 10 90		Cocoa powder,	From 1.1 to 31.12.2018	30 000

a	The benefit of this tariff quota is submitted to the presentation of an export permit issued by Canada under the Export and Import Permits Act
b	The cane and the beet sugar must have been refined in Canada
c	The cane and the beet sugar must have been refined in Canada
d	The cane and the beet sugar must have been refined in Canada
e	The cane and the beet sugar must have been refined in Canada
f	The cane and the beet sugar must have been refined in Canada
g	The cane and the beet sugar must have been refined in Canada
h	The benefit of this tariff quota is submitted to the presentation of an export permit issued by Canada under the Export and Import Permits Act
i	The benefit of this tariff quota is submitted to the presentation of an export permit issued by Canada under the Export and Import Permits Act
j	The benefit of this tariff quota is submitted to the presentation of an export permit issued by Canada under the Export and Import Permits Act

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		containing 65 % or more by weight of sucrose (including invert sugar expressed as sucrose) or isoglucose expressed as sucrose[c]	and for each period thereafter from 1.1 to 31.12	
ex 1806 20 10 ex 1806 20 30 ex 1806 20 50 ex 1806 20 70 ex 1806 20 80 ex 1806 20 95	20 20 20 20 12, 92 12, 92	Other preparations in blocks, slabs or bars weighing more than 2 kg or in liquid, paste, powder, granular or other bulk form in containers or immediate packings of a content exceeding 2 kg, containing 65 % or more by net weight of added cane or beet sugar of subheadings 1701 91		

a	The benefit of this tariff quota is submitted to the presentation of an export permit issued by Canada under the Export and Import Permits Act
b	The cane and the beet sugar must have been refined in Canada
c	The cane and the beet sugar must have been refined in Canada
d	The cane and the beet sugar must have been refined in Canada
e	The cane and the beet sugar must have been refined in Canada
f	The cane and the beet sugar must have been refined in Canada
g	The cane and the beet sugar must have been refined in Canada
h	The benefit of this tariff quota is submitted to the presentation of an export permit issued by Canada under the Export and Import Permits Act
i	The benefit of this tariff quota is submitted to the presentation of an export permit issued by Canada under the Export and Import Permits Act
j	The benefit of this tariff quota is submitted to the presentation of an export permit issued by Canada under the Export and Import Permits Act

		to 1701 99[d], for the preparation of chocolate beverages		
ex 2101 12 92 ex 2101 12 98	92 92, 94	Preparations with a basis of extracts, essences or concentrates of coffee or with a basis of coffee, containing 65 % or more by net weight of added cane or beet sugar of subheadings 1701 91 to 1701 99[e]		
ex 2101 20 92 ex 2101 20 98	82 85, 87	Preparations with a basis of extracts, essences or concentrates of tea or maté or with a basis of tea or maté, containing 65 % or more by net weight of added cane or beet sugar of subheadings		

a	The benefit of this tariff quota is submitted to the presentation of an export permit issued by Canada under the Export and Import Permits Act
b	The cane and the beet sugar must have been refined in Canada
c	The cane and the beet sugar must have been refined in Canada
d	The cane and the beet sugar must have been refined in Canada
e	The cane and the beet sugar must have been refined in Canada
f	The cane and the beet sugar must have been refined in Canada
g	The cane and the beet sugar must have been refined in Canada
h	The benefit of this tariff quota is submitted to the presentation of an export permit issued by Canada under the Export and Import Permits Act
i	The benefit of this tariff quota is submitted to the presentation of an export permit issued by Canada under the Export and Import Permits Act
j	The benefit of this tariff quota is submitted to the presentation of an export permit issued by Canada under the Export and Import Permits Act