Regulation (EU) 2015/2423 of the European Parliament and of the Council of 16 December 2015 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 and suspending its application with regard to Bosnia and Herzegovina

REGULATION (EU) 2015/2423 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of 16 December 2015

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 and suspending its application with regard to Bosnia and Herzegovina

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)] provides for asymmetrical trade liberalisation between the Union and the Western Balkan countries and territories concerned, granting them the benefit of exceptional and unlimited duty-free access to the Union market for almost all their products until 31 December 2015.

(2) Regulation (EC) No 1215/2009 does not provide any possibility to temporarily suspend the grant of exceptional trade measures in the event of serious and systematic violations of human rights, including core labour rights, of fundamental principles of democracy and of the rule of law by its beneficiaries. It is appropriate to introduce such a possibility, so as to ensure that swift action can be taken in the event that serious and systematic violations of human rights, including core labour rights, of fundamental principles of democracy and of the rule of law occur in one of the countries and territories participating in or linked to the Union's stabilisation and association process.

(3) Having regard to differences in the scope of the tariff liberalisation under the contractual regimes which have been developed 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 2020, so as to give the beneficiaries of the exceptional trade measures and the Union sufficient time to align, where appropriate,

Changes to legislation: *There are currently no known outstanding effects for the Regulation (EU) 2015/2423 of the European Parliament and of the Council. (See end of Document for details)*

preferences granted under Regulation (EC) No 1215/2009 with those provided for under the Stabilisation and Association Agreements.

(4) Regulation (EC) No 1215/2009 provides for a global quota for imports into the Union of wine with the Combined Nomenclature (CN) codes 2204 21 93 to 2204 21 98 and 2204 29 93 to 2204 29 98. That quota is accessible to all Western Balkan countries and territories on exhaustion of their individual wine quota, as provided for in their bilateral Stabilisation and Association Agreements, with the exception of Montenegro. The Protocol on wine agreed with Montenegro includes a wine quota only for the CN codes ex 2204 10 and ex 2204 21, which it has not been in a position to fill. This effectively prevents Montenegro from accessing a duty-free wine quota for products not covered by its Stabilisation and Association Agreement. In order to ensure that all the Western Balkan countries and territories concerned are treated on an equal footing, it is appropriate to provide that Montenegro be also given access to the global wine quota for products of CN code 2204 29, without the need to exhaust its individual quota.

(5) Since the launch of the stabilisation and association process, Stabilisation and Association Agreements have been concluded with all the Western Balkan countries and territories concerned, with the exception of Kosovo[(3)]. In May 2014, the negotiations for a Stabilisation and Association Agreement with Kosovo were completed and the Agreement was signed in October 2015.

(6) Bosnia and Herzegovina was recognised as a potential candidate country for accession to the Union in 2003, and on 16 June 2008 signed a Stabilisation and Association Agreement ('the Stabilisation and Association Agreement'), agreeing to the conditions for membership of the Union. An Interim Agreement on trade and trade-related matters with Bosnia and Herzegovina[(4)] ('the Interim Agreement') applied until 31 May 2015 and the Stabilisation and Association Agreement applies from 1 June 2015 onwards.

(7) However, Bosnia and Herzegovina has not yet accepted to adapt trade concessions granted under the Stabilisation and Association Agreement in order to take into account the preferential traditional trade between Croatia and Bosnia and Herzegovina under the Central European Free Trade Agreement. If, by the time of the adoption of this Regulation, an agreement on the adaptation of the trade concessions set out in the Stabilisation and Association Agreement has not been signed and provisionally applied by the Union and Bosnia and Herzegovina, the preferences granted to Bosnia and Herzegovina should be suspended as from 1 January 2016. Once the Union and Bosnia and Herzegovina have signed and provisionally applied an agreement on the adaptation of trade concessions in the Stabilisation and Association Agreement, those preferences should be re-established,

HAVE ADOPTED THIS REGULATION:

Article 1

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

(1) In Article 2(1), the following point is added:

(d) the abstention of the countries and territories referred to in Article 1 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) Article 2(3) is replaced by the following:

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

(3) In Article 7, the following point is added:

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

(4) In Article 10(1), the introductory wording 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 the provisions of point (a), (b) or (c) of Article 2(1) by the countries and territories referred to in Article 1, it may take measures to suspend in whole or in part the arrangements provided for in this Regulation for a period of three months, provided that it has first:.

(5) In Article 12, the second and third paragraphs are replaced by the following:

It shall apply until 31 December 2020..

(6) In Annex I, footnote (5) is replaced by the following:

(5) Access for wine originating in Montenegro to the global tariff quota, insofar as it concerns products of CN code 2204 21, is subject to the prior exhaustion of the individual tariff quota provided for in the Protocol on wine concluded with Montenegro. That individual tariff quota is opened under order No 09.1514..

Article 2

The application of Regulation (EC) No 1215/2009 with regard to Bosnia and Herzegovina is suspended with effect from 1 January 2016.

Article 3

1 Notwithstanding Article 2, the application of Regulation (EC) No 1215/2009 with regard to Bosnia and Herzegovina shall not be suspended if, before 1 January 2016, the Union and Bosnia and Herzegovina sign and apply provisionally an agreement on the adaptation of the Stabilisation and Association Agreement and the Interim Agreement to take into account the accession of Croatia to the European Union.

2 In the event that the agreement on an adaptation referred to in paragraph 1 is signed and applied provisionally only on or after 1 January 2016, Regulation (EC) No 1215/2009 shall be applicable again with regard to Bosnia and Herzegovina from the date on which such agreement is signed and applied provisionally.