Regulation (EU) No 1384/2014 of the European Parliament and of the Council of 18 December 2014 on the tariff treatment for goods originating in Ecuador

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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) Article 329 of the Trade Agreement between the European Union and its Member States, of the one part, and Colombia and Peru, of the other part[(2)] ('the Agreement') signed on 26 June 2012, provides for the possible accession to the Agreement of other Member Countries of the Andean Community.

(2) Following the request by Ecuador to restart negotiations with the Union to become a Party to the Agreement, negotiations were conducted between the Union and Ecuador in 2014. As a result of those negotiations, a Protocol of Accession by Ecuador to the Agreement ('the Protocol of Accession') was initialled on 12 December 2014.

(3) Following the initialling of the Protocol of Accession, an interim reciprocal arrangement is necessary for the establishment of a free-trade area with Ecuador in order to avoid unnecessary trade disruption. Therefore, as from 1 January 2015, customs duties applied on the date of initialling of the Protocol of Accession should not be increased nor new customs duties applied to goods originating in Ecuador.

(4) This Regulation therefore provides for the maintenance of the level of duty rates applicable to goods originating in Ecuador on 12 December 2014 as from 1 January 2015.

(5) The tariff treatment provided for under this Regulation is without prejudice to measures taken under Council Regulations (EC) No 260/2009[(3)], (EC) No 597/2009[(4)] or (EC) No 1225/2009[(5)].

(6) As a condition for the application of the tariff treatment provided for under this Regulation, Ecuador should abstain from introducing new duties or charges having equivalent effect and new quantitative restrictions or measures having equivalent effect

for imports from the Union, or from increasing existing levels of duties or charges or from introducing any other restrictions from 12 December 2014.

(7) To ensure that Ecuador maintains its commitment to core international conventions on human and labour rights, environmental protection and good governance, the application of this Regulation should be subject to the continued and effective implementation of those conventions by Ecuador.

(8) In order to prevent any risk of fraud, the entitlement to benefit from the tariff treatment provided for under this Regulation should be conditional on compliance by Ecuador with the relevant rules of origin of goods and the procedures related thereto.

(9) It is necessary to provide for the application of Common Customs Tariff duties with regard to any goods originating in Ecuador which cause, or threaten to cause, serious difficulties to Union producers of like or directly competing products, subject to an investigation by the Commission.

(10) In the event of failure to comply with any of the conditions laid down in this Regulation, implementing powers should be conferred on the Commission to suspend temporarily, in whole or in part, the tariff treatment provided for herein. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council[(6)].

(11) This Regulation should be applied until six months after the entry into force or date of provisional application of the Protocol of Accession, and until 31 December 2016 at the latest,

HAVE ADOPTED THIS REGULATION:

Article 1

Definitions

For the purposes of this Regulation:

(a) ‘tariff treatment’ means the customs duties and treatment applied to goods originating in Ecuador as provided for by Article 2;

(b) ‘Common Customs Tariff duties’ means the duties specified in Part II of Annex I to Council Regulation (EEC) No 2658/87[(7)], except those duties established as part of tariff quotas;

(c) ‘goods originating in Ecuador’ means product(s) that conform(s) to the origin requirements under Title II, Chapter 2 of Council Regulation (EEC) No 2913/92[(8)] and, depending on the tariff treatment sought pursuant to Article 2 of this Regulation, Title IV, Chapter 1 or Title IV, Chapter 2, Section 1 of Commission Regulation (EEC) No 2454/93[(9)].

Article 2

Tariff treatment

1 Customs duties applied to goods originating in Ecuador on 12 December 2014 shall not be increased and no new customs duties introduced after that date shall be applied to those goods.

2 The tariff treatment provided for in paragraph 1 shall be applied without prejudice to any measures taken under Regulations (EC) No 260/2009, (EC) No 597/2009 or (EC) No 1225/2009.

Article 3

Conditions for entitlement to the tariff treatment

Entitlement to benefit from the tariff treatment set out in Article 2 shall be subject to:

(a) Ecuador complying with the rules of origin referred to in Article 1(c) and the procedures related thereto, including, as appropriate, the effective administrative cooperation provisions applicable on 12 December 2014;

(b) Ecuador abstaining from introducing new duties or charges having equivalent effect and new quantitative restrictions or measures having equivalent effect for imports from the Union, or from increasing existing levels of duties or charges or from introducing any other restrictions from 12 December 2014;

(c) maintaining the ratification and ensuring effective implementation on the part of Ecuador of the covenants, conventions and protocols listed in the Annex, and accepting without reservation the reporting requirements, regular monitoring and review of Ecuador's implementation record in accordance with the provisions of the covenants, conventions and protocols it has ratified;

(d) Ecuador cooperating with the Commission and providing all information necessary to assess Ecuador's compliance with the requirements in point (c);

(e) Ecuador conducting continuous efforts to sign and ratify the Protocol of Accession.

Article 4

Temporary suspension

Where the Commission finds that there is sufficient evidence of a failure to comply with the conditions set out in Article 3, the Commission may adopt implementing acts in order to suspend the tariff treatment temporarily, in respect of all or certain goods originating in Ecuador. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 6(2).

Changes to legislation: *There are currently no known outstanding effects for the Regulation (EU) No 1384/2014 of the European Parliament and of the Council. (See end of Document for details)*

Article 5

Safeguard clause

Where goods originating in Ecuador are imported in volumes and/or at prices which cause, or threaten to cause, serious difficulties to Union producers of like or directly competing products, the Commission may reintroduce the Common Customs Tariff duties for those goods following the procedural rules laid down in Regulation (EU) No 19/2013 of the European Parliament and of the Council[10], *mutatis mutandis*.

Article 6

Committee procedure

1 For the implementation of Article 4 of this Regulation, the Commission shall be assisted by the Customs Code Committee established by Article 248a of Regulation (EEC) No 2913/92. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.

2 Where a reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.

Article 7

Entry into force, application and expiry

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 1 January 2015.

This Regulation shall expire six months after the Protocol of Accession enters into force or is applied provisionally, or on 31 December 2016, whichever occurs first. The Commission shall publish a notice in the *Official Journal of the European Union* in the event that this Regulation ceases to apply before 31 December 2016.

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