Regulation (EU) No 1150/2014 of the European Parliament and of the Council of 29 October 2014 amending Regulation (EU) No 374/2014 on the reduction or elimination of customs duties on goods originating in Ukraine

REGULATION (EU) No 1150/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of 29 October 2014

amending Regulation (EU) No 374/2014 on the reduction or elimination of customs duties on goods originating in Ukraine

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) Ukraine is a priority partner country within the European Neighbourhood Policy and the Eastern Partnership. The European Union has been seeking an increasingly closer relationship with Ukraine in view of the latter's political association and economic integration with the Union. In that respect, between 2007 and 2011 the Union and Ukraine negotiated the Association Agreement between the European Union and its Member States, of the one part, and Ukraine, of the other part[(2)] (the Association Agreement), including a Deep and Comprehensive Free Trade Area (DCFTA), which was signed by both parties on 27 June 2014. Under the provisions of the DCFTA, the Union and Ukraine are to establish a free trade area over a transitional period of a maximum of 10 years, starting from the entry into force of the Association Agreement, in accordance with Article XXIV of the General Agreement on Tariffs and Trade 1994.

(2) In light of the unprecedented security, political and economic challenges faced by Ukraine, and in order to support its economy, it was decided to anticipate the implementation of the Schedule of concessions set out in Annex I-A to the Association Agreement by means of the autonomous trade preferences provided for under Regulation (EU) No 374/2014 of the European Parliament and the Council[(3)]. In view of the challenges Ukraine still faces, the application of Regulation (EU) No 374/2014 should be extended until 31 December 2015. For the purpose of predictability, the customs duties and access to tariff quotas for the extended period should remain the same as for 2014.

(3) Article 2 of the Association Agreement provides that respect for democratic principles, human rights and fundamental freedoms, and respect for the principle of the rule

Changes to legislation: *There are currently no known outstanding effects for the Regulation (EU) No 1150/2014 of the European Parliament and of the Council. (See end of Document for details)*

of law constitute essential elements of that Agreement. Furthermore, it provides that the promotion of respect for the principles of sovereignty and territorial integrity, inviolability of borders and independence, as well as countering the proliferation of weapons of mass destruction, related materials and their means of delivery also constitute essential elements of that Agreement. The autonomous preferences provided for under Regulation (EU) No 374/2014 should also be subject to the respect for those same principles by Ukraine. In order to align Regulation (EU) No 374/2014 with Union practice and other EU trade policy instruments, it is appropriate to introduce the possibility to temporarily suspend the preferences in case of failure to respect the fundamental principles of human rights, democracy and the rule of law by Ukraine.

(4) In view of the urgency of the matter, it is important to apply an exception to the eight-week period referred to in Article 4 of Protocol No 1 on the role of national parliaments in the European Union, annexed to the Treaty on European Union and to the Treaty on the Functioning of the European Union,

HAVE ADOPTED THIS REGULATION:

Article 1

Regulation (EU) No 374/2014 is amended as follows:

(1) Article 1 is replaced by the following:

Article 1

Preferential arrangements

Customs duties on goods originating in Ukraine shall be reduced or eliminated in accordance with Annex I. Where reference is made in Annex I to staging categories, the basic rate of duties for 2014 and 2015 shall be eliminated in the case of staging category 0 and shall be reduced by 25 % in the case of staging category 3, by 16,7 % in the case of staging category 5 and by 12,5 % in the case of staging category 7.;

(2) in Article 2, the following point is added:

(e) respect for democratic principles, human rights and fundamental freedoms and respect for the principle of the rule of law provided for in Article 2 of the Association Agreement[(4)].;

(3) in Article 7, the second paragraph is replaced by the following:

It shall apply until 31 December 2015.;

(4) Annexes II and III are replaced by the text set out respectively in Annexes I and II to this Regulation.

Article 2

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 2 November 2014.

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

Done at Brussels, 29 October 2014.

For the European Parliament

The President

M. SCHULZ

For the Council

The President

S. GOZI

***Changes to legislation:** There are currently no known outstanding effects for the Regulation (EU) No 1150/2014 of the European Parliament and of the Council. (See end of Document for details)*

ANNEX I

ANNEX INotwithstanding the rules for the interpretation of the Combined Nomenclature, the wording of the description of the products is to be considered as having no more than an indicative value, the scope of the preferential scheme being determined, within the context of this Annex, by CN codes as they exist on 23 April 2014.

Order No	**CN code**	**Description of goods**	**Quantity for the quota period running from 23.4.2014 until 31.12.2014(in tonnes net weight unless otherwise specified)**	**Quantity for the quota period running from 1.1.2015 until 31.12.2015(in tonnes net weight unless otherwise specified)**
09.3050	0204 22 50 0204 22 90	Sheep legs, other cuts with bone in (excluding carcasses and half carcasses, short forequarters and chines and/or best ends), fresh or chilled	1 500	1 500
	0204 23	Boneless meat of sheep, fresh or chilled		
	0204 42 30 0204 42 50 0204 42 90	Frozen cuts of sheep, with bone in (excluding carcasses and half-carcasses, and short forequarters)		
	0204 43 10	Frozen meat of lamb, boneless		
	0204 43 90	Frozen meat of sheep, boneless		
09.3051	0409	Natural honey	5 000	5 000
09.3052	1701 12	Raw beet sugar not containing added flavouring or colouring matter	20 070	20 070

	1701 91 1701 99	Other sugar than raw sugar		
	1702 20 10	Maple sugar in solid form, containing added flavouring or colouring matter		
	1702 90 30	Isoglucose in solid form, containing in the dry state 50 % by weight of fructose		
	1702 90 50	Maltodextrine in solid form and maltodextrine syrup, containing in the dry state 50 % by weight of fructose		
	1702 90 71 1702 90 75 1702 90 79	Caramel		
	1702 90 80	Inulin syrup		
	1702 90 95	Other sugars, including invert sugar and other sugar and sugar syrup blends containing in the dry state 50 % by weight of fructose		
09.3053	1702 30 1702 40	Glucose and glucose syrup, not containing fructose or containing in the dry state less than 50 % by weight of fructose, excluding invert sugar	10 000	10 000
	1702 60	Other fructose and fructose syrup, containing		