Commission Implementing Regulation (EU) No 514/2011 of 25 May 2011 laying down the detailed rules for implementing the preferential trade arrangements applicable to certain goods resulting from the processing of agricultural products, as provided for in Article 7(2) of Council Regulation (EC) No 1216/2009

COMMISSION IMPLEMENTING REGULATION (EU) No 514/2011

of 25 May 2011

laying down the detailed rules for implementing the preferential trade arrangements applicable to certain goods resulting from the processing of agricultural products, as provided for in Article 7(2) of Council Regulation (EC) No 1216/2009

THE EUROPEAN COMMISSION,

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

Having regard to Council Regulation (EC) No 1216/2009 of 30 November 2009 laying down the trade arrangements applicable to certain goods resulting from the processing of agricultural products[(1)], and in particular Article 7(2) thereof,

Whereas:

(1) Commission Regulation (EC) No 1460/96[(2)] establishes the detailed rules for implementing the preferential trade arrangements applicable to certain goods resulting from the processing of agricultural products, as provided for in Article 7 of Regulation (EC) No 1216/2009. In view of developments in preferential trade arrangements applicable to certain goods resulting from the processing of agricultural products, it is necessary to replace that Regulation.

(2) Certain preferential agreements concluded by the Union with third countries provide for the application of agricultural components or additional duties which are lower than the agricultural components or additional duties fixed by the Common Customs Tariff. It is therefore necessary to lay down detailed rules for implementing the reductions granted.

(3) It is necessary to lay down a list of the basic products for which reduced agricultural components may be established pursuant to preferential agreements with third countries.

(4) In accordance with Regulation (EC) No 1216/2009 the reductions granted should be established either by reducing the basic amounts used to calculate the agricultural components or by reducing the agricultural components applicable to certain specific goods.

(5) In accordance with Article 14 of Regulation (EC) No 1216/2009, where necessary to determine the reduced agricultural components applicable in preferential trade, the characteristics of the basic products and the quantities of the basic products considered to have been used should be laid down.

(6) It is appropriate to lay down rules for calculating reductions in the additional duties applicable in respect of the cereal and sugar content of certain goods where in the framework of preferential agreements provision is made for the reduction of such additional duties.

(7) Eligibility for the reduced rates of duty is generally granted within the limits of tariff quotas as provided for by the relevant preferential agreement. To ensure the efficient management of those tariff quotas, they should be managed in accordance with the rules on the management of tariff quotas laid down in Commission Regulation (EEC) No 2454/93 of 2 July 1993 laying down provisions for the implementation of Council Regulation (EEC) No 2913/92 establishing the Community Customs Code[(3)].

(8) In the interest of clarity and transparency the list of goods covered by reduced agricultural components or reduced additional duties, whether or not within a tariff quota, should be provided for in the relevant preferential agreement.

(9) In accordance with Regulation (EC) No 1216/2009 it should be permitted to replace the part of the *ad valorem* duties corresponding to the agricultural component by a specific amount where provided for by a preferential agreement. However this amount should not exceed the charge applicable in respect of non-preferential trade.

(10) Since eligibility for reduced rates of duty is conditional on the goods originating in the countries with which a preferential agreement has been concluded, it is necessary to specify the rules of origin to be applied.

(11) The measures provided for in this Regulation are in accordance with the opinion of the Management Committee for horizontal questions concerning trade in processed agricultural products not listed in Annex I to the Treaty,

HAS ADOPTED THIS REGULATION:

Article 1

This Regulation lays down the rules for determining the reduced agricultural components referred to in Article 7(2), and the related additional duties referred to in Article 5(2), of Regulation (EC) No 1216/2009, and for managing quotas opened pursuant to preferential agreements applicable to goods and products covered by Regulation (EC) No 1216/2009.

Article 2

For the purpose of establishing reduced agricultural components in the meaning of Regulation (EC) No 1216/2009, the following basic products shall be considered:

— CN code ex 1001 90 99 common wheat,
— CN code 1001 10 00 durum wheat,
— CN code 1002 00 00 rye,
— CN code 1003 00 90 barley,
— CN code 1005 90 00 maize, other than maize for sowing,
— CN codes 1006 20 96 and 1006 20 98 long grain husked rice, hereinafter referred to as ‘rice’,
— CN code 1701 99 10 white sugar,

— CN codes 1703 10 00 and 1703 90 00 molasses,

— CN code ex 0402 10 19 milk powder with a fat content by weight not exceeding 1,5 %, with no sugar or other sweetener added and in immediate packing with a net content greater than 2,5 kg, hereinafter referred to as 'PG 2',

— CN code ex 0402 21 19 milk powder with a milkfat content by weight of 26 %, with no sugar or other sweetener added and in immediate packing with a net content greater than 2,5 kg, hereinafter referred to as 'PG 3',

— N code ex 0405 10 butter, with a fat content by weight of 82 %, hereinafter referred to as 'PG 6'.

Article 3

1 The reduced agricultural components applicable in the framework of preferential trade shall be calculated on the basis of the quantities of basic products considered to have been used in the manufacture of the goods covered by this Regulation.

2 The quantities of basic products referred to in paragraph 1 shall be those set out in Annex I for the goods listed therein by Combined Nomenclature (CN) codes.

3 For the goods listed by CN codes for which Annex I refers to Annex II, the quantities referred to in paragraph 1 shall be as set out in Annex II.

4 For the goods referred to in paragraph 3, additional codes shall apply, according to the composition of the goods, as set out in Annex III.

5 Where provided for in a preferential agreement, by derogation from paragraphs 1 to 4, the reduced agricultural components, and, where appropriate, the reduced additional duties, applicable to each good eligible for a reduction of duty, shall be obtained by applying a reduction coefficient to the agricultural components and the related additional duties fixed in the Common Customs Tariff.

Article 4

1 For goods listed in Annex II, the quantities of sugar and cereals to be taken into consideration in calculating the reduced additional duties on sugar (AD S/Z) and on flour (AD F/M) shall be as set out in points B and C of Annex II, for the given contents of sucrose, invert sugar and/or isoglucose, and of starch and/or glucose, respectively.

2 For goods not listed in Annex II, the additional duties referred to in paragraph 1 shall be obtained by taking in consideration only the quantities of basic products falling within either the cereals sector or the sugar sector as set out in Parts I and III respectively of Annex I to Council Regulation (EC) No 1234 /2007[(4)].

Article 5

1 In accordance with Article 3(1) the reduced agricultural components, and, where appropriate, the reduced additional duties, applicable to each good eligible for such a reduction in duty, shall be obtained by multiplying the quantities of the relevant basic products used by the basic amount referred to in paragraph 2 and by adding these amounts for all the relevant basic products used in the manufacture of the good.

2 The basic amount to be taken into account for calculating the reduced agricultural components and, where appropriate, the reduced additional duties, shall be the amount fixed in euro provided for by the relevant preferential agreement or determined pursuant to that agreement.

Changes to legislation: *There are currently no known outstanding effects for the Commission Implementing Regulation (EU) No 514/2011. (See end of Document for details)*

3 Where a preferential agreement provides for a reduction in the rates of the agricultural components per good instead of a reduction in the basic amounts, the reduced agricultural components shall be calculated by applying the reduction provided for in the agreement to the agricultural components fixed by the Common Customs Tariff.

4 In cases where the reduced agricultural component and, where appropriate, the reduced additional duties, determined pursuant to paragraphs 1, 2 and 3, would be less than EUR 2,4/100 kg, the component or duty shall be fixed at zero.

Article 6

1 The amounts of the reduced agricultural components and, where appropriate, the reduced additional duties, established pursuant to Article 5 will be published by the Commission in the *Official Journal of the European Union*.

2 Save as otherwise provided in the agreement with the relevant third country, the amounts published in accordance with paragraph 1 shall apply from 1 July to 30 June of the year following the publication.

However, where both the reduced agricultural components and the reduced additional duties applicable to the basic products remain unchanged, the agricultural components and additional duties established pursuant to Article 5 shall continue to apply until such time as replacement agricultural components and additional duties are published.

Article 7

The preferential agreement shall lay down or permit the determination of the following:

(a) the goods eligible for a reduced agricultural component;

(b) the goods eligible for a reduced additional duty;

(c) the reduction or reductions granted;

(d) the tariff quota applicable, where reductions are granted within such a quota.

Article 8

Where, in the case of processed agricultural products listed in Table 2 of Annex II to Regulation (EC) No 1216/2009, a preferential agreement provides for the application of an agricultural component in the form of a specific amount, whether or not subject to a reduction under a tariff quota, and where the Common Customs Tariff provides for the application of an *ad valorem* duty for non-preferential imports of such goods, the amount payable shall not exceed the latter rate.

Article 9

For the purposes of this Regulation, ‘originating goods’ means goods that meet the conditions for obtaining the status of originating goods established by the preferential agreement concerned.

Article 10

1 The agricultural components of the Common Customs Tariff shall apply in the following cases:

a the agricultural components relate to goods covered by Annex II to Regulation (EC) No 1216/2009 which are not covered by the preferential arrangements relating to trade in such goods with the country concerned;

b the agricultural components apply to goods which exceed the tariff quota.

2 Where the tariff quota concerns a reduction in *ad valorem* duties corresponding to the agricultural component thereof in the form referred to in Article 8, the duties applicable for quantities exceeding the tariff quotas shall be those of the Common Customs Tariff or those otherwise provided for in the agreement.

Article 11

The tariff quotas covered by this Regulation shall be managed in accordance with Articles 308a, 308b and 308c of Regulation (EEC) No 2454/93.

Article 12

Regulation (EC) No 1460/1996 is repealed.

Article 13

This Regulation shall enter into force on the 20th day following its publication in the *Official Journal of the European Union*.

It shall apply from 1 July 2011.

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

Done at Brussels, 25 May 2011.

For the Commission

The President

José Manuel BARROSO