Commission Regulation (EC) No 1808/2006 of 7 December 2006 amending Regulation (EC) No 1615/2000 derogating from Regulation (EEC) No 2454/93 in respect of the definition of the concept of originating products used for the purposes of the scheme of generalised preferences to take account of the special situation of Nepal regarding certain exports of textiles to the Community

COMMISSION REGULATION (EC) No 1808/2006

of 7 December 2006

amending Regulation (EC) No 1615/2000 derogating from Regulation (EEC) No 2454/93 in respect of the definition of the concept of originating products used for the purposes of the scheme of generalised preferences to take account of the special situation of Nepal regarding certain exports of textiles to the Community

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 2913/92 of 12 October 1992 establishing the Community Customs Code[(1)], and in particular Article 247 thereof,

Having regard to 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[(2)], and in particular Article 76 thereof,

Whereas:

(1) By Council Regulation (EC) No 980/2005 of 27 June 2005 applying a scheme of generalised tariff preferences[(3)], the Community granted generalised tariff preferences to Nepal.

(2) Regulation (EEC) No 2454/93 establishes the definition of the concept of originating products to be used for the purposes of the scheme of generalised tariff preferences. Regulation (EEC) No 2454/93 also provides for derogations from that definition in favour of least developed beneficiary countries benefiting from the generalised system of preferences (GSP) which submit an appropriate request to that effect to the Community.

(3) Nepal has benefited from such derogation for certain textiles since 1997, in the last instance by virtue of Commission Regulation (EC) No 1615/2000[(4)]. The validity of Regulation (EC) No 1615/2000 has been extended until 31 December 2006.

(4) By letter dated 17 July 2006 Nepal submitted a request for prolongation of the derogation in accordance with Article 76 of Regulation (EEC) No 2454/93.

(5) When the validity of Regulation (EC) No 1615/2000 was extended until 31 December 2006, it was expected that new, simpler and more development-friendly GSP rules of origin would be in force before expiry of the derogation. However the new GSP rules of origin are not expected to be adopted before 31 December 2006.

Changes to legislation: *There are currently no known outstanding effects for the Commission Regulation (EC) No 1808/2006. (See end of Document for details)*

(6) Application of the GSP rules of origin currently in force would have an adverse effect on investment, and employment in Nepal as well as on ability of existing industry in Nepal to continue its exports to the Community.

(7) The prolongation period should take account of the time necessary to adopt and implement new GSP rules of origin. In addition, the interests of traders concluding contracts both in Nepal and in the Community, as well as the stability of Nepalese industry, require that the derogation should be prolonged for a period sufficient to permit the continuation or conclusion of longer term contracts.

(8) The derogation should therefore be prolonged until 31 December 2008. However, in order to ensure fair treatment for Nepal and for other least developed countries, the continuing need for the derogation should be reviewed once new GSP rules of origin are adopted.

(9) Regulation (EC) No 1615/2000 should therefore be amended accordingly.

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

HAS ADOPTED THIS REGULATION:

Article 1

Article 2 of Regulation (EC) No 1615/2000 is amended as follows:

1. In the first paragraph the date ‘31 December 2006’ is replaced by ‘31 December 2008’;

2. The second paragraph is replaced by the following:

> The continuing need for the derogation shall however be reviewed once the new rules of origin of the generalised system of preferences are adopted.

Article 2

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

It shall apply from 1 January 2007.

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

Done at Brussels, 7 December 2006.

For the Commission

László KOVÁCS

Member of the Commission