Council Decision (EU) 2020/2027 of 7 December 2020 on the position to be taken on behalf of the European Union within the EU-Central America Association Council as regards modifications to Appendix 2 to Annex II and the introduction of Explanatory Notes to Articles 15, 16, 19, 20 and 30 of Annex II to the Agreement establishing an Association between the European Union and its Member States, on the one hand, and Central America on the other, and repealing Decisions (EU) 2016/1001 and (EU) 2016/1336

COUNCIL DECISION (EU) 2020/2027

of 7 December 2020

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular the first subparagraph of Article 207(4) in conjunction with Article 218(9) thereof,

Having regard to the proposal from the European Commission,

Whereas:

(1) The Agreement establishing an Association between the European Union and its Member States, on the one hand, and Central America on the other ('the Agreement') was signed by the Union in accordance with Council Decision 2012/734/EU[(1)]. Pursuant to Article 353(4) of the Agreement, Part IV thereof has been applied provisionally since 1 August 2013 between the Union and Nicaragua, Honduras and Panama, since 1 October 2013 between the Union and El Salvador and Costa Rica, and since 1 December 2013 between the Union and Guatemala.

(2) Pursuant to Article 36 of Annex II to the Agreement, which concerns the definition of the concept of 'originating products' and methods of administrative cooperation, the Association Council established by Article 4 of the Agreement is able to decide to modify the provisions of the Appendices to Annex II. Pursuant to Article 37 of Annex II to the Agreement, the Association Council is able to approve Explanatory Notes regarding the interpretation, application and administration of Annex II.

(3) The Association Council is to adopt a Decision modifying Appendix 2 (List of working or processing required to be carried out on non-originating materials in order that the product manufactured can obtain originating status) to Annex II, which is based on the Harmonised System (HS) 2007, to align the product-specific rules of origin with the updated HS as applicable from 2017. Such alignment includes the changes introduced by the HS 2012, and non-substantive changes for the HS 2017, to the

Changes to legislation: *There are currently no known outstanding effects for the Council Decision (EU) 2020/2027. (See end of Document for details)*

product-specific rules of Appendix 2. For reasons of clarity, taking into account the number of amendments that need to be made in Appendix 2, that Appendix should be replaced in its entirety.

(4) The Association Council is also to adopt a Decision introducing Explanatory Notes to Articles 15, 16, 19, 20 and 30 of Annex II to the Agreement to ensure transparency and uniformity in the application of the rules of origin regarding the movement certificate EUR.1, invoice declarations, approved exporters and verification of proofs of origin.

(5) The adoption of the two Decisions by the Association Council is expected to take place before the end of 2021.

(6) It is appropriate to establish the position to be taken on the Union's behalf in the Association Council, as the two Decisions of the Association Council will have legal effect in the Union.

(7) It is also appropriate to repeal Council Decisions (EU) 2016/1001[(2)] and (EU) 2016/1336[(3)], which establish positions to be taken on the Union's behalf on acts no longer to be adopted by the Association Council.

(8) The position of the Union within the Association Council should therefore be based on the two draft Decisions of the Association Council,

HAS ADOPTED THIS DECISION:

Article 1

The position to be taken on the Union's behalf within the Association Council as regards the modifications to Appendix 2 to Annex II and the introduction of Explanatory Notes to Articles 15, 16, 19, 20 and 30 of Annex II to the Agreement shall be based on the two draft Decisions of the Association Council[(4)].

Article 2

Decisions (EU) 2016/1001 and (EU) 2016/1336 are repealed.

Article 3

Once adopted, the two Decisions of the Association Council referred to in Article 1 shall be published in the *Official Journal of the European Union*.

Article 4

This Decision shall enter into force on the date of its adoption.

It shall expire on 31 December 2021.

Done at Brussels, 7 December 2020.

For the Council

The President

M. ROTH