Council Decision (EU) 2019/2198 of 25 November 2019 on the position to be taken on behalf of the European Union within the Joint Committee established by the Regional Convention on pan-Euro-Mediterranean preferential rules of origin as regards the amendment of the Convention

COUNCIL DECISION (EU) 2019/2198

of 25 November 2019

on the position to be taken on behalf of the European Union within the Joint Committee established by the Regional Convention on pan-Euro-Mediterranean preferential rules of origin as regards the amendment of the Convention

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 Regional Convention on pan-Euro-Mediterranean preferential rules of origin (the 'Convention') was concluded by the Union by means of Council Decision 2013/94/EU[(1)] and entered into force in the Union on 1 May 2012.

(2) The pan-Euro-Mediterranean system of cumulation of origin allows for the application of diagonal cumulation between the 26 Contracting Parties to the Convention: the Union, Iceland, Liechtenstein, Norway, Switzerland, Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, Palestine[(2)], Syria, Tunisia, Turkey, Albania, Bosnia and Herzegovina, Croatia, North Macedonia, Montenegro, Serbia, Kosovo[(3)], the Faroe Islands, Moldova, Georgia and Ukraine.

(3) The Convention envisages that the rules of origin will need to be amended in order to better respond to the economic reality and establishes procedures for the adoption of amendments. Amendments to the Convention are to be adopted by unanimous decision of the Joint Committee established by the Convention (the 'Joint Committee').

(4) The process of amending the Convention started in 2012 and resulted in a new set of modernised and more flexible rules of origin, consistent with those which have already been agreed by the Union in certain other recent agreements, namely the Comprehensive Economic and Trade Agreement (CETA) between Canada, of the one part, and the European Union and its Member States, of the other part[(4)], the Free Trade Agreement between the European Union and the Socialist Republic of Viet Nam, the Agreement between the European Union and Japan for an Economic Partnership[(5)] and the Economic Partnership Agreement between the European Union and its Member States, of the one part, and the SADC EPA States, of the other part[(6)], or schemes of generalised tariff preferences.

Changes to legislation: *There are currently no known outstanding effects for the Council Decision (EU) 2019/2198. (See end of Document for details)*

(5) The Joint Committee is expected to adopt a decision on the amendment of the Convention during its meeting on 27 November 2019 or at a later date.

(6) It is appropriate to establish the position to be taken on the Union's behalf in the Joint Committee with regard to the amendment of the Convention, as the amendment of the Convention will have legal effect in the Union,

HAS ADOPTED THIS DECISION:

Article 1

The position to be taken on the Union's behalf within the Joint Committee established by the Regional Convention on pan-Euro-Mediterranean preferential rules of origin (the 'Convention') shall be to support the amendment of the Convention as set out in the Annex to the draft Decision of the Joint Committee attached to this Decision.

Article 2

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

Done at Brussels, 25 November 2019.

For the Council

The President

F. MOGHERINI

***Changes to legislation:** There are currently no known outstanding effects for the Council Decision (EU) 2019/2198. (See end of Document for details)*

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DECISION No …/… OF THE JOINT COMMITTEE

of …

on the amendment of the Regional Convention on pan-Euro-Mediterranean preferential rules of origin

THE JOINT COMMITTEE,

Having regard to the Regional Convention on pan-Euro-Mediterranean preferential rules of origin, and in particular to point (a) of Article 4(3) thereof,

Whereas:

(1) The Regional Convention on pan-Euro-Mediterranean preferential rules of origin (the 'Convention') was signed in Brussels on 15 June 2011 and entered into force on 1 January 2012.

(2) The pan-Euro-Mediterranean system of cumulation of origin is made up of a network of free trade agreements. It provides for a multilateral framework of identical rules of origin allowing for diagonal cumulation which applies without prejudice to the principles laid down in the relevant agreements.

(3) It is acknowledged in the Convention that the rules of origin will need to be amended in order to better respond to the economic reality.

(4) The Contracting Parties to the Convention agreed on the amendment of the Convention in order to provide for a new set of modernised and more flexible rules of origin.

(5) The Convention should therefore be amended accordingly,

HAS ADOPTED THIS DECISION:

Article 1

1 The Convention is amended as set out in the Annex to this Decision.

2 The amendments to the Convention shall become applicable on [1 January 2021] among the Contracting Parties that introduce those amendments to the Convention, or references to them, in their protocols on rules of origin before that date.

Article 2

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

Done at …,

For the Joint Committee

The Chair

Changes to legislation: *There are currently no known outstanding effects for the Council Decision (EU) 2019/2198. (See end of Document for details)*

ANNEX

Sole Article

Amendment of the Regional Convention on pan-Euro-Mediterranean preferential rules of origin

Regional Convention on pan-Euro-Mediterranean preferential rules of origin (the 'Convention') is amended as follows:

(1) Article 1 is replaced by the following:

Article 1

1 This Convention lays down provisions on the origin of goods traded under the relevant Agreements concluded between the Contracting Parties.

2 The concept of 'originating products' and the methods of administrative cooperation relating thereto are set out in the Appendixes to this Convention.

Appendix I sets out general rules for the definition of the concept of 'originating products' and the methods of administrative cooperation.

Appendix II sets out special provisions that were agreed before 1 January 2019 and are applicable between certain Contracting Parties and derogating from the provisions laid down in Appendix I.

Special provisions applicable between certain Contracting Parties and derogating from the provisions laid down in Appendix I that were agreed before 1 January 2019 but not included in Appendix II remain valid.

3 For derogations agreed after 1 January 2019:

a The Contracting Parties may apply in their bilateral trade special provisions derogating from the provisions laid down in Appendix I provided that those special provisions are in accordance with Article XXIV of the General Agreement on Tariffs and Trade 1994 (GATT);

b Contracting Parties shall provide the chairperson of the Joint Committee with a version of the agreement between the Contracting Parties in English or in French that contains the provisions referred to in point (a) and an accompanying letter in English or in French indicating the provisions of this Convention from which that agreement derogates;

c The special provisions referred to in point (a) shall not enter into force before the end of the calendar month following the month in which the Contracting Parties provided the chairperson of the Joint Committee with the information referred to in point (b);

d The chairperson of the Joint Committee shall notify the information referred to in point (b) to all other Contracting Parties and shall inform the Contracting Parties referred to in point (b) of that notification.

4 The following are Contracting Parties to this Convention:

— the European Union;

— the EFTA States as listed in the Preamble;

— the Kingdom of Denmark in respect of the Faroe Islands;

— the participants in the Barcelona Process as listed in the Preamble;

***Changes to legislation:** There are currently no known outstanding effects for the Council Decision (EU) 2019/2198. (See end of Document for details)*

— the participants in the European Union's Stabilisation and Association Process as listed in the Preamble, except the Republic of Croatia following its accession to the European Union;
— the Republic of Moldova;
— Georgia;
— Ukraine.

5 A third party that becomes Contracting Party in accordance with Article 5 shall be automatically added to the list set out in paragraph 4 of this Article.;

(2) in Article 2, point (1) is replaced by the following:

(1) 'Contracting Party' means the Contracting Parties listed in Article 1(4);;

(3) in Article 4, paragraph 3, point (a) is replaced by the following:

(a) amendments to the Convention;";

(4) in Article 5, paragraph 9 is replaced by the following:

9. From the date of the decision of the Joint Committee referred to in paragraph 4, the third party concerned may be represented with observer status in the Joint Committee and any sub-committee and working groups.;

(5) Appendix I is replaced by the following:

Appendix I

THE DEFINITION OF THE CONCEPT OF 'ORIGINATING PRODUCTS' AND METHODS OF ADMINISTRATIVE COOPERATION

TITLE I

GENERAL PROVISIONS

Article 1

Definitions

For the purposes of this Convention:

(a) 'chapters', 'headings' and 'subheadings' mean the chapters, the headings and the subheadings (four- or six-digit codes) used in the nomenclature which makes up the Harmonized Commodity Description and Coding System ('Harmonised System') with the changes pursuant to the Recommendation of 26 June 2004 of the Customs Cooperation Council;

(b) 'classified' means the classification of a good under a particular heading or subheading of the Harmonised System;

(c) 'consignment' means products which are either:

(i) sent simultaneously from one exporter to one consignee; or