Council Decision (EU) 2019/41 of 3 December 2018 on the position to be taken, on behalf of the European Union, within the Association Committee established by the Euro-Mediterranean Agreement establishing an Association between the European Communities and their Member States, of the one part, and the Hashemite Kingdom of Jordan, of the other part, as regards an amendment to Protocol 3 to that Agreement concerning the definition of the concept of 'originating products' and methods of administrative cooperation

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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 Euro-Mediterranean Agreement establishing an Association between the European Communities and their Member States, of the one part, and the Hashemite Kingdom of Jordan, of the other part[(1)] ('the Agreement') entered into force on 1 May 2002. Pursuant to Article 89 of the Agreement, an Association Council was established to examine any major issues arising within the framework of this Agreement and any other bilateral or international issues of mutual interest.

(2) Pursuant to Article 92 of the Agreement, an Association Committee was established which shall be responsible for the implementation of the Agreement and to which the Association Council may delegate, in full or in part, any of its powers.

(3) Pursuant to Article 94(1) of the Agreement, the Association Committee is to have the power to take decisions for the management of the Agreement as well as in areas where the Association Council has delegated its powers to it.

(4) Pursuant to Article 2 of Council and Commission Decision 2002/357/EC, ECSC[(2)], the position to be taken by the Union within the Association Committee shall be laid down by the Council, on a proposal by the Commission.

(5) It is appropriate to establish the position to be taken on the Union's behalf in the EU-Jordan Association Committee, as the Decision of the Association Committee amending the provisions of Protocol 3 to the Agreement, concerning the definition of

Changes to legislation: *There are currently no known outstanding effects for the Council Decision (EU) 2019/41. (See end of Document for details)*

the concept of 'originating products' and the list of working or processing required to be carried out on non-originating materials in order for certain categories of products, manufactured in the territory of the Hashemite Kingdom of Jordan ('Jordan'), and connected with generating employment for Syrian refugees and Jordanians, to obtain originating status, will be binding on the Union.

(6) Pursuant to Article 39 of Protocol 3 to the Agreement, as amended by Decision No 1/2006 of the EU-Jordan Association Council[3], the Association Committee may decide to amend the provisions of that Protocol.

(7) Pursuant to the Protocol 3 to the Agreement, as amended by Decision No 1/2016 concerning the definition of the concept of 'originating products' and the list of working or processing required to be carried out on non-originating materials in order for certain categories of products, manufactured in the territory of Jordan, and connected with generating employment for Syrian refugees and Jordanians, to obtain originating status, Jordan submitted proposals for further relaxation of the scheme introduced by Decision No 1/2016.

(8) As a result of the examination of Jordan's request, the Council, on behalf of the Union, considers it justified to agree on additional flexibilities of the rules of origin scheme, notably as concerns abandoning the zone requirement, setting a requirement for the Syrian workforce at the level of 15 % of total workforce throughout the scheme for each production facility, and extending the validity of the scheme until 31 December 2030.

(9) The Annex to the Decision of the Association Committee attached to this Decision ('the Decision of the Association Committee') should apply until 31 December 2030.

(10) The achievement by Jordan of its objective of creating at least 60 000 legal and active job opportunities, in particular corresponding to active work permits or other measurable means corresponding to legal and active employment determined by the Association Committee, for Syrian refugees would also represent a significant milestone in respect of the implementation of the Decision of the Association Committee. Accordingly, when this objective is achieved, the Union and Jordan should, also taking into account the modernisation of the Regional Convention on pan-Euro-Mediterranean Preferential Rules of Origin, extend the coverage of the Decision of the Association Committee to include all production in Jordan of products covered by that Decision without the requirement to satisfy the specific conditions set out in Article 1(1)(b) of the Annex to the Decision of the Association Committee.

(11) If the objective of creating a total number of at least 60 000 legal and active job opportunities, in particular corresponding to active work permits or other measurable means corresponding to legal and active employment determined by the Association Committee, for Syrian refugees is not achieved, the specific conditions set out in Article 1(1)(b) of the Annex to the Decision of the Association Committee should apply.

(12) The application of the Annex to the Decision of the Association Committee should be accompanied by appropriate monitoring and reporting obligations and may be suspended if the conditions for its application are no longer fulfilled or if the conditions for safeguard measures are met,

***Changes to legislation:** There are currently no known outstanding effects for the Council Decision (EU) 2019/41. (See end of Document for details)*

HAS ADOPTED THIS DECISION:

Article 1

The position to be adopted on behalf of the Union within the EU-Jordan Association Committee established by Article 92 of the Agreement, as regards the amendment of Protocol 3 to that Agreement concerning the definition of the concept of 'originating products' and methods of administrative cooperation, shall be based on the draft Decision of the Association Committee, attached to this Decision.

Article 2

After its adoption, the Decision of the Association Committee shall be published in the *Official Journal of the European Union*.

Article 3

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

Done at Brussels, 3 December 2018.

For the Council

The President

N. HOFER

Changes to legislation: *There are currently no known outstanding effects for the Council Decision (EU) 2019/41. (See end of Document for details)*

ANNEX

ANNEX II(a)

ADDENDUM TO THE LIST OF WORKING OR PROCESSING REQUIRED TO BE CARRIED OUT ON NON-ORIGINATING MATERIALS IN ORDER FOR THE PRODUCT MANUFACTURED TO OBTAIN ORIGINATING STATUS

Article 1 **Common provisions**

A. *Definition of origin*

1. For the products listed in Article 2, the following rules may also apply instead of the rules set out in Annex II of Protocol 3 provided that such products respect the following conditions:

(a) the required working or processing to be carried out on non-originating materials in order for such products to obtain originating status takes place in production facilities located in the territory of Jordan; and

(b) the total work force of each production facility located in the territory of Jordan where such products are worked or processed contains a proportion of Syrian refugees equivalent to at least 15 % (calculated individually for each production facility).

2. The relevant proportion pursuant to subparagraph 1(b) shall be calculated at any point after the entry into force of this Annex and on an annual basis thereafter taking into account the number of Syrian refugees who are employed in formal and decent jobs and on a Full-Time Equivalent basis, and who have received a work permit valid for a minimum period of 12 months under the applicable legislation of Jordan.

3. The competent authorities of Jordan shall monitor that the eligible production facilities comply with the conditions set out in paragraph 1, shall grant to production facilities fulfilling such conditions an authorisation number and shall promptly withdraw such authorisation number where the production facilities no longer fulfil such conditions.

B. *Proof of origin*

4. A proof of origin made out pursuant to this Annex shall contain the following statement in English: ‘Derogation – Annex II(a) of Protocol 3 – authorisation number granted by the competent authorities of Jordan’.

C. *Administrative cooperation*

5. When, in accordance with Article 33(5) of this Protocol, as amended by Decision No 1/2006 of the EU-Jordan Association Council[(5)], the customs authorities of Jordan inform the European Commission or the requesting customs authorities of the Member States of the European Union (the ‘Member States’) of the results of the verification, they shall specify that the products listed in Article 2 fulfil the conditions set out in paragraph 1.

6. Where the verification procedure or any other available information appears to indicate that the conditions set out in paragraph 1 are not fulfilled, Jordan shall, on its own initiative or at the request of the European Commission or the customs authorities of the Member States, carry out appropriate inquiries or arrange for such inquiries to be carried out with due urgency to identify and prevent such violations. For that purpose, the European Commission or the customs authorities of the Member States may participate in the inquiries.

***Changes to legislation:** There are currently no known outstanding effects for the Council Decision (EU) 2019/41. (See end of Document for details)*

D. *Report, monitoring and review*

7. Each year after the entry into force of this Annex, Jordan shall submit a report to the European Commission on the operation and effects of this Annex, including production and export statistics at 8 digit level or the highest level of detail available for the products covered by the scheme. Jordan shall also submit a list identifying the production facilities in Jordan and specifying the percentage of Syrian refugees employed in each individual production facility on a year-by-year basis. Jordan shall also report, on a quarterly basis, on the overall number of active work permits or other measurable means corresponding to legal and active employment determined by the Association Committee. The Parties shall jointly review such reports and any issues relating to the implementation and monitoring of this Annex within the bodies established by the Association Agreement and in particular in the Sub-Committee on Industry, Trade and Services. The Parties shall also ensure the involvement of relevant international organisations, such as the International Labour Organisation and the World Bank, in the monitoring process.

8. Once Jordan achieves its target of facilitating a greater participation of Syrian refugees in the formal labour market by issuing at least 60 000 active work permits, or other measurable means corresponding to legal and active employment determined by the Association Committee, to Syrian refugees, the Parties shall apply the provisions of this Annex to all products covered by this Annex without the requirement to comply with the specific conditions set out in subparagraph 1(b).

9. If the Union considers that there is insufficient evidence of Jordan complying with the conditions set out in paragraph 8, the Union may refer the matter to the Association Committee. If the Association Committee fails to declare within 90 days of the referral of the matter that the conditions set out in paragraph 8 are met or to amend this Annex, the Union may decide that the specific conditions set out in subparagraph 1(b) shall apply.

E. *Temporary suspension*

10.

F. *Safeguard mechanism*

11. Where a product listed in Article 2 benefiting from the application of this Annex is imported in such increased quantities and under such conditions as to cause, or threaten to cause, serious injury to Union producers of like or directly competitive products in all or part of the territory of the Union or serious disturbances in any sector of the economy of the Union, in accordance with Articles 24 and 26 of the Agreement, the Union may refer the matter for examination to the Association Committee. If within 90 days of the matter being referred to it, the Association Committee fails to adopt a decision putting an end to such serious injury or threat thereof or serious disturbances or if no other satisfactory solution has been reached, the application of this Annex shall be suspended with respect to that product, until the Association Committee adopts a decision declaring that they have ended or until a satisfactory solution has been reached by the Parties and is notified to the Association Committee.

G. *Entry into force and application*

12. This Annex shall apply from the day of entry into force of the Association Committee decision to which it is attached and shall apply until 31 December 2030.

Article 2 **List of products and of required working and processing**

The list of products to which this Annex applies and the rules of working and processing that may be applied as an alternative to those listed in Annex II are set out below.