COMMISSION

COMMISSION DIRECTIVE

of 26 May 1975

on detailed rules concerning equivalent compensation and prior exportation under inward processing arrangements

(75/349/EEC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community;

Having regard to the Council Directive of 4 March 1969 [1] on the harmonization of provisions laid down by law, regulation or administrative action in respect of inward processing, as last amended by the Act [2], annexed to the Treaty [3] on the accession of the new Member States to the European Economic Community and the European Atomic Energy Community, signed at Brussels on 22 January 1972, and in particular Article 28 thereof;

Whereas by virtue of Article 24 of the said Directive, where the circumstances so warrant, the competent authorities may, by way of derogation from Article 2 (3) of this Directive, treat as compensating products, products derived from processing goods of the same kind and quality and having the same technical characteristics as those of the imported goods (system of equivalent compensation),

Whereas by virtue of Article 25 of the said Directive, in cases coming within Article 24 of this Directive, where the circumstances so warrant, products treated as compensating products may, under conditions determined by the competent authorities, be exported prior to the importation of goods covered by inward processing arrangements, and any such prior exportation shall be treated in the same way as an export within the meaning of Article 2 (1) of the said Directive;

Whereas the operation of the system of equivalent compensation may vary from one Member State to another, and in order to avoid such differences incompatible with the concept of a customs union it is desirable to lay down certain measures of implementation for complementary harmonization in this sphere;

Whereas the measures provided for in this Directive are in accordance with the Opinion of the Committee on Inward Processing,

HAS ADOPTED THIS DIRECTIVE:

Article 1

1. Products obtained from goods which replace goods which have been or are to be imported under inward processing arrangements, in so far as they satisfy the conditions of Article 2 of this Directive, shall be treated as compensating products within the meaning of Articles 24 and 25 of the Council Directive of 4 March 1969 on the harmonization of provisions laid down by law, regulation or administrative action in respect of inward processing, hereinafter called 'the basic Directive'.

2. For the purposes of application of this Directive goods which replace goods which have been or are to be imported under inward processing arrangements, shall be called 'compensation goods', and goods which they replace shall be called 'import goods'.

3. In this Directive:

— 'equivalent compensation' means the system provided for in Article 24 of the basic Directive;

— 'prior exportation' means the system provided for in Article 25 of the basic Directive.

Article 2

1. Compensation goods must either:

— fulfil the conditions of Articles 9 and 10 of the Treaty in the Member State where equivalent compensation takes place, or

— be taken into the Community under inward processing arrangements granted by means of an authorization other than that governing import goods.

2. Compensation goods must fall within the same tariff subheading, be of the same commercial quality and possess the same technical characteristics as import goods.

(1) OJ No L 58, 9. 3. 1969, p. 1.
(2) OJ No L 73, 26. 3. 1972, p. 14.
(3) OJ No L 73, 26. 3. 1972, p. 5.