



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 16.5.2007
COM(2007) 254 final

Proposal for a

COUNCIL REGULATION

**amending Regulation (EC) No 1255/96 temporarily suspending the autonomous
common customs tariff duties on certain industrial, agricultural and fishery products**

(presented by the Commission)

EXPLANATORY MEMORANDUM

1) CONTEXT OF THE PROPOSAL

- **Grounds for and objectives of the proposal**

The Commission, assisted by the Economic Tariff Questions Group, has reviewed all the requests for temporary suspension of autonomous common customs tariff duties presented to it by the Member States. The attached proposal concerns certain industrial and agricultural products. Requests for suspension relating to the above products were examined in the light of the criteria set out in the communication from the Commission concerning autonomous tariff suspensions and quotas (see OJ C 128, 25.4.1998, p. 2). Following this review, the Commission considers that the suspension of duties is justified for the products listed in Annex I to the attached proposal for a Regulation. Products for which suspension is no longer in the Community's economic interests have been withdrawn. The annexes to this Regulation list the products for which suspension is proposed, or for which the wording has to be changed, and the products removed from the Annex to Regulation (EC) No 1255/96. The validity period of the measure is 1 July 2007 to 31 December 2011, in order to carry out economic examinations of the individual suspensions in this period. The suspensions, whose cancellation or continuation is considered necessary by the Commission and Economic Tariff Questions Group shall be extended or deleted after this date.

- **General context**

It is in the interest of the Community to suspend partially or totally the autonomous common customs tariff duties for a number of new products not listed in the Annex to Council Regulation (EC) No 1255/96 temporarily suspending the autonomous common customs tariff duties on certain industrial, agricultural and fishery products.

- **Existing provisions in the area of the proposal**

OJ L 158, 29.6.1996, p. 1. Regulation last amended by Regulation (EC) No 300/2006 (OJ L 395, 30.12.2006, p. 1).

- **Consistency with the other policies and objectives of the Union**

In line with agricultural, trade, enterprise, development and external relations policies. Especially this proposal is not at the expense of developing countries enjoying a preferential trading agreement with the EU (e.g. GSP, ACP regime).

2) CONSULTATION OF INTERESTED PARTIES AND IMPACT ASSESSMENT

- **Consultation of interested parties**

Consultation methods, main sectors targeted and general profile of respondents

The Economic Tariff Questions Group representing the industries of each Member State was consulted.

Summary of responses and how they have been taken into account

All listed suspensions correspond to the agreement of the discussions inside the group.

- **Collection and use of expertise**

Scientific/expertise domains concerned

Experts representing the MS on the Economic Tariff Questions Group

Methodology used

Open consultation

Main organisations/experts consulted

Experts designated by each of the MS

Summary of advice received and used

The existence of potentially serious risks with irreversible consequences has not been mentioned.

Means used to make the expert advice publicly available

Publication of the Proposal

- **Impact assessment**

Not applicable

Proposal included in the Commission's Working and Legislative Programme 2007

3) LEGAL ELEMENTS OF THE PROPOSAL

- **Summary of the proposed action**

Proposal for a Council Regulation amending Regulation (EC) No 1255/96 temporarily suspending the autonomous common customs tariff duties on certain industrial, agricultural and fishery products

- **Legal basis**

Art 26

- **Subsidiarity principle**

The proposal falls under the exclusive competence of the Community. The subsidiarity principle therefore does not apply.

- **Proportionality principle**

The proposal complies with the proportionality principle for the following reason(s).

The proposed measures are in accordance with the objectives of the "Customs 2007" action programme.

This set of measures is in line with the principles set out to simplify the procedures for the operators engaged in foreign trade and in accordance with the Commission communication concerning autonomous tariff suspensions and quotas.

- **Choice of instruments**

Proposed instruments: regulation.

Other means would not be adequate for the following reason(s).

By virtue of Article 26 of the EC Treaty autonomous tariff suspensions and quotas are approved by the Council acting on a qualified majority on the basis of a Commission proposal.

4) BUDGETARY IMPLICATION

Uncollected customs duties with a total amount of 40 700 000 €/year.

5) ADDITIONAL INFORMATION

- **Simplification**

The proposal provides for simplification of legislation.

In the annex to the proposed regulation a differential list of duty suspensions will be published.

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amending Regulation (EC) No 1255/96 temporarily suspending the autonomous common customs tariff duties on certain industrial, agricultural and fishery products

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 26 thereof,

Having regard to the proposal from the Commission¹,

Whereas:

- (1) It is in the interest of the Community to suspend partially or totally the autonomous common customs tariff duties for a number of new products not listed in the Annex to Council Regulation (EC) No 1255/96².
- (2) A number of products which are referred to in the said Annex, should be withdrawn from the list in that Annex because it is no longer in the Community's interest to maintain suspension of autonomous common customs tariff duties or because the description needs to be altered in order to take account of technical product developments and economic trends on the market.
- (3) Accordingly, products whose description needs to be altered should be regarded as new products.
- (4) The validity period of the measure should be limited, in order to be able to carry out economic examinations of the individual suspensions in this period. Experience has shown the need to provide for an expiry date to the suspensions listed in Regulation (EC) No 1255/96 to ensure that account is taken of technological and economic changes. This should not exclude the premature termination of certain measures or their continuation beyond this period, if economic reasons are submitted, in accordance with the principles laid down in the Commission Communication concerning autonomous tariff suspensions and quotas.³
- (5) Regulation (EC) No 1255/96 should therefore be amended accordingly.
- (6) Since this Regulation is to apply from 1 July 2007, it should enter into force immediately,

¹ OJ C[...], [...], p. [...]

² OJ L 158, 29.6.1996, p. 1. Regulation as last amended by Regulation (EC) No 1897/2006 (OJ L 395, 30.12.2006, p. 1).

³ OJ C 128, 25.4.1998, p. 2.

HAS ADOPTED THIS REGULATION:

Article 1

The Annex to Regulation (EC) No 1255/96 is amended as follows:

- (1) The text set out in Annex I to this Regulation is inserted;
- (2) The products for which the CN and TARIC codes are set out in Annex II to this Regulation are deleted.

Article 2

The temporary suspensions of the autonomous duties of the Common customs tariff for the products set out in the Annex shall apply from 1 July 2007. They shall expire on the dates listed in Annex I.

Article 3

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

It shall apply from 1 July 2007.

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

Done at Brussels, [...]

For the Council
The President

ANNEX I

CN code	TARIC	Description	Rate of autonomous duty	Validity period
ex 0302 70 00 ex 0302 70 00 ex 0302 70 00 ex 0302 70 00 ex 0302 70 00 ex 0302 70 00 ex 0302 70 00 ex 0302 70 00 ex 0303 80 90 ex 0303 80 90 ex 0303 80 90 ex 0303 80 90 ex 0303 80 90	11 31 41 82 83 84 89 10 12 14 16 19	Hard fish roes, fresh, chilled or frozen	0 %	1.7.2007 - 31.12.2008
ex 2009 80 79	87	Frozen boysenberry juice concentrate with a Brix value of 61 or more, but not more than 65	0 %	17.2007 - 31.12.2011
ex 2009 80 99	93	Untreated frozen coconut water, not put up for retail sale	0 %	1.7.2007 - 31.12.2011
ex 2811 22 00	20	Microspheres of amorphous silicon of a particle size of 5 µm (± 1 µm), for use in the manufacture of cosmetic products (1)	0 %	01.7.2007 - 31.12.2011
ex 2811 22 00	30	Balls of porous white silica of a particle size of more than 1 µm for use in the manufacture of cosmetic products (1)	0 %	1.7.2007 - 31.12.2011
ex 2827 39 85	20	Antimony pentachloride of a purity by weight of 99 % or more	0 %	1.7.2007 - 31.12.2011
ex 2845 90 90	10	Helium-3	0 %	1.7.2007 - 31.12.2011
ex 2845 90 90	20	Water enriched at a level of 95 % or more with oxygen-18	0 %	1.7.2007 - 31.12.2011
ex 2845 90 90	30	Carbon monoxide ¹³ C	0 %	1.7.2007 - 31.12.2011
ex 2916 39 00	45	2-Chlorobenzoic acid	0 %	1.7.2007 - 31.12.2011
2920 90 40		Triethyl phosphite	0 %	1.7.2007 - 31.12.2011
ex 2921 51 19	40	<i>p</i> -Phenylenediamine	0 %	1.7.2007 - 31.12.2011
ex 2924 19 00	60	<i>N,N</i> -Dimethylacrylamide	0 %	17.2007 - 31.12.2011
ex 2926 90 95	61	<i>m</i> -(1-Cyanoethyl)benzoic acid	0 %	1.7.2007 - 31.12.2011

CN code	TARIC	Description	Rate of autonomous duty	Validity period
ex 2929 10 90	80	1,3-Bis(isocyanatomethyl) benzene	0 %	1.7.2007 - 31.12.2011
ex 2930 90 85	78	4-Mercaptomethyl-3,6-dithia-1,8-octanedithiol	0 %	1.7.2007 - 31.12.2011
ex 2932 29 85	60	6'-(Dibutylamino)-3'-methyl-2'-(phenylamino)-spiro[isobenzofuran-1(3 <i>H</i>),9'-[9 <i>H</i>]xanthen]-3-one	0 %	17.2007 - 31.12.2011
ex 2932 29 85	71	6'-(Diethylamino)-3'-methyl-2'-(phenylamino)-spiro[isobenzofuran-1(3 <i>H</i>),9'-[9 <i>H</i>]xanthen]-3-one	0 %	1.7.2007 - 31.12.2011
ex 2932 29 85	72	2'-[Bis(phenylmethyl)amino]-6'-(diethylamino)-spiro[isobenzofuran-1(3 <i>H</i>),9'-[9 <i>H</i>]xanthen]-3-one	0 %	1.7.2007 - 31.12.2011
ex 2933 21 00	70	α -(4-Methoxybenzoyl)- α -(1-benzyl-5-ethoxy-3-hydantoinyl)-2-chloro-5-dodecyloxyacetylacetanilide	0 %	1.7.2007 - 31.12.2011
ex 2933 39 99	50	<i>N</i> -Fluoro-2,6-dichloropyridinium tetrafluoroborate	0 %	17.2007 - 31.12.2011
ex 2933 99 90	81	1,2,3-Benzotriazole	0 %	1.7.2007 - 31.12.2011
ex 2933 99 90	82	Tolyltriazole	0 %	1.7.2007 - 31.12.2011
ex 3707 10 00	40	Sensitising emulsion, containing: <ul style="list-style-type: none"> — not more than 10 % by weight of naphthoquinonediazide esters, — 2 % or more but not more than 20 % by weight of copolymers of hydroxystyrene — not more than 7 % by weight of epoxy-containing derivatives dissolved in 1-ethoxy-2-propyl acetate and/or ethyl lactate	0 %	1.7.2007 - 31.12.2011
ex 3815 90 90	71	Catalyst, containing <i>N</i> -(2-hydroxypropylammonium)diazabicyclo (2,2,2) octane-2-ethyl hexanoate, dissolved in ethane-1,2-diol	0 %	1.7.2007 - 31.12.2011
ex 3903 19 00	30	Crystalline polystyrene with a melting point of 268°C or more but not more than 272°C and a setting point of 247°C or more but not more than 252°C, whether or not containing additives and filling material	0 %	1.7.2007 - 31.12.2011
ex 3904 22 00 ex 3926 90 97	91 80	Poly(vinyl chloride), dyed in the mass, in the form of flakes, grains, pebbles or rectangular chips, for use as decorative elements in floor and wall coverings (1)	0 %	1.7.2007 - 31.12.2008
ex 3907 30 00 ex 3916 90 15 ex 3926 90 97	40 10 70	Epoxide resin, containing by weight 70 % or more of silicon dioxide, for the encapsulation of goods of heading No 8533, 8535, 8536, 8541, 8542 or 8548 (1)	0 %	1.7.2007 - 31.12.2008

CN code	TARIC	Description	Rate of autonomous duty	Validity period
ex 3919 10 38	40	Double-sided, self-adhesive modified epoxy resin foil, put up in rolls, 10 to 20 cm wide, 10 to 210 m long and with a total thickness of 10 to 50 µm, not for retail sale	0 %	1.7.2007 - 31.12.2011
ex 3920 59 90	10	Non-cellular and non-laminated sheet of modified copolymer of acrylonitrile-methyl acrylate with a thickness of 1.0 mm or more but not more than 1.3 mm, put up in rolls	0 %	1.7.2007 - 31.12.2011
ex 3920 99 28	50	Thermoplastic polyurethane film, of a thickness of 250 µm or more but not more than 350 µm, covered on one side with a removable protective film	0 %	1.7.2007 - 31.12.2011
ex 3920 99 59	55	Ion-exchange membranes of fluorinated plastic material	0 %	1.7.2007 - 31.12.2008
ex 5004 00 10	10	Silk yarn (other than yarn spun from silk waste) not put up for retail sale, unbleached, scoured or bleached, entirely of silk	0 %	1.7.2007 - 31.12.2011
ex 5004 00 90	10	Yarn spun entirely from silk, not put up for retail sale	2.5 %	17.2007 - 31.12.2011
ex 5907 00 90	10	Textile fabrics, coated with adhesive in which are embedded spheres of a diameter not exceeding 150 µm	0 %	1.7.2007 - 31.12.2011
ex 7011 20 00	20	Glass cone (funnel) for cathode-ray tube with a diagonal measurement of 508,8 mm or more but not more than 811,0 mm	0 %	1.7.2007 - 31.12.2011
ex 7011 20 00	50	Glass face plate with <ul style="list-style-type: none"> — a light transmission of 52,5 % (± 5 %) at a glass thickness of 11,43 mm and — a diagonal measurement of 512,1 mm or more but not more than 814,2 mm and — dimensions of 341,8 x 440,5 x 94,1 mm (± 1,4 mm) or 359,4 x 454,8 x 80,0 mm (± 1,4 mm) or 358,0 x 454,0 x 90,0 (± 1,4 mm) or 359,4 x 454,8 x 72,0 (± 1,4 mm) or 396,0 x 633,0 x 103,7 mm (± 1,4 mm) or 472,7 x 600,8 x 97,6 mm (± 1,4 mm) or 472,7 x 600,8 x 84,5 mm (± 1,4 mm) or 445,0 x 726,1 x 112,5 mm (± 1,4 mm) or 445,0 x 726,1 x 93,0 mm (± 1,4 mm) 	0 %	1.7.2007 - 31.12.2011
ex 8407 90 10	10	Four-stroke petrol engines of a cylinder capacity of not more than 250 cm ³ for use in the manufacture of lawnmowers of sub-heading 8433 11, mowers with motor of subheading 8433 20 10, rotovators of sub-heading 8432 29 50 or garden shredders of sub-heading 8436 80 99 (1)	0 %	01.07.2007 - 31.12.2011
ex 8413 91 00	20	Manganese-silicon-bronze swash plates with a copper content of 58 % or more but not more than 63 % by weight for incorporation into fluid pumps for air conditioners of motor vehicles	0 %	01.07.2007 - 31.12.2011
ex 8501 31 00	30	DC motor, brushless, with a three-phase winding, an external diameter of 85 mm or more, but not exceeding 115 mm, a nominal torque of	0 %	1.7.2007 - 31.12.2011

CN code	TARIC	Description	Rate of autonomous duty	Validity period
		2.23 Nm (\pm 1.0 Nm), of an output of more than 120 W but not exceeding 520 W, calculated with 1550 RPM (\pm 350 RPM) at a supply voltage of 12 V equipped with electronic circuit with sensors using the Hall effect, for use with an electric power steering control module (power steering motor) (1)		
ex 8507 80 30	40	Rectangular lithium-ion-accumulator, with <ul style="list-style-type: none"> — a length of 80 mm or more, but not more than 1000 mm, — a width of 25 mm or more, but not more than 150 mm, — a height of 100 mm or more, but not more than 500 mm, — a weight of 0,5 kg or more, but not more than 30 kg, — a capacity of 20 Ah or more, but not more than 1000 Ah, for use in the manufacture of rechargeable power-supply units for incorporation into goods of heading No 8903 (1)	0 %	1.7.2007 - 31.12.2011
ex 8529 90 65	70	Unit driver consisting of an electronic integrated circuit and a flexible printed circuit, for use in the manufacture of LCD modules (1)	0 %	1.7.2007 - 31.12.2011
ex 8539 39 00	20	Cold cathode (CCFL) or External Electrode (EEFL) fluorescent lamps, of a diameter not exceeding 5 mm and with a length of more than 120 mm but not exceeding 1570 mm, for incorporation in backlight units of LCD modules (1)	0 %	1.7.2007 - 31.12.2011
ex 8540 11 11	95	Colour cathode-ray tube with a slot mask, equipped with an electron gun and a deflection yoke and with a screen width/height ratio of 4/3 and a diagonal measurement of the screen of not more than 42 cm	0 %	1.7.2007 - 31.12.2011
ex 8540 11 19	91	Colour cathode-ray tube equipped with electron guns placed side by side (in-line technology), with a diagonal measurement of the screen of 79 cm or more	0 %	1.7.2007 - 31.12.2011
ex 9001 20 00 ex 9001 90 00	20 55	Optical, diffuser, reflector or prism sheets, unprinted diffuser plates, whether or not possessing polarising properties, specifically cut, for use in the manufacture of LCD modules (1)	0 %	1.7.2007 - 31.12.2011
ex 9001 90 00	70	Polyethylene terephthalate film with a thickness of less than 300 μ m according to ASTM D2103, having on one side prisms of acrylic resin with a prism angle of 90° and a prism pitch of 50 μ m	0 %	1.7.2007 - 31.12.2011

(1) Entry under this subheading is subject to conditions laid down in the relevant Community provisions (see Articles 291 to 300 of Commission Regulation (EEC) No. 2454/93 - OJ L 253 11.10.1993 p. 1).

ANNEX II

CN code	TARIC
0302 70 00	11
0302 70 00	31
0302 70 00	41
0302 70 00	82
0302 70 00	83
0302 70 00	84
0302 70 00	89
0303 80 90	10
0303 80 90	19
3707 10 00	20
3904 22 00	91
3926 90 98	80
3907 30 00	40
3916 90 15	10
3926 90 98	70
3919 10 38	40
3920 99 53	
3920 99 59	55
5004 00 10	10
5004 00 90	10
5402 49 00	85
5503 90 90	40
5907 00 90	10
6307 90 10	10
7019 19 10	40
8540 11 19	91
9001 20 00	20
9001 90 00	55
9001 20 00	30
9001 90 00	65

**LEGISLATIVE FINANCIAL STATEMENT FOR PROPOSALS HAVING A
BUDGETARY IMPACT EXCLUSIVELY LIMITED TO THE REVENUE SIDE**

1. NAME OF THE PROPOSAL:

Proposal for a Council Regulation amending Regulation (EC) No 1255/96 temporarily suspending the autonomous common customs tariff duties on certain industrial, agricultural and fishery products

2. BUDGET LINES:

Chapter and Article: Chap. 12 art. 120

Amount budgeted for the year 2007: € 15 287 900

3. FINANCIAL IMPACT

Proposal has no financial implications

Proposal has no financial impact on expenditure but has a financial impact on revenue – the effect is as follows:

(€ million to one decimal place)

Budget line	Revenue ⁴	period, starting dd/mm/aaaa	[Year 2 nd semester 2007 and 2008 - 2011]
Article 120	<i>Impact on own resources</i>	01/07/2007 - 31/12/2011	- 40.7/year

4. ANTI-FRAUD MEASURES

Checks on the end-use of some of the products covered by this Council Regulation will be carried out in accordance with Articles 291 to 300 of Commission Regulation (EEC) No 2454/93 laying down provisions for the implementation of the Community Customs Code.

5. OTHER REMARKS

In order to reduce the economic problems an expiry date has been set out.

⁴ Regarding traditional own resources (agricultural duties, sugar levies, customs duties) the amounts indicated must be net amounts, i.e. gross amounts after deduction of 25% of collection costs.

This proposal contains the amendments which must be made to the annex to the existing Regulation in order to take account of the following:

1. new requests for suspension which have been presented and accepted;
2. technical product developments and economic trends on the market resulting in the lifting of certain existing suspensions.

Addition

This Annex, in addition to the amendments resulting from description changes and those to CN or TARIC codes, contains 37 new products. The uncollected duties corresponding to these suspensions, calculated on the basis of expected imports into the requesting Member State for 2. semester 2007, 2008 until 2011, total MEUR 31.6/year.

On the basis of the existing statistics for the preceding years, it would appear, however, that this amount must be increased by an average factor, estimated at 1.8, to take account of imports into other Member States using the same suspensions. This means **a loss of revenue of some MEUR 57.1/year.**

Withdrawal:

7 products have been withdrawn from this annex reflecting the reintroduction of customs duties. This represents **an increase of MEUR 2.8 in resources**, as calculated from requests for suspension or available statistics (2005).

Estimated cost of this operation

Taking available statistics (2005) as a basis, the impact on the loss of revenue resulting from this Regulation may therefore be estimated at $57.1 - 2.8 =$ MEUR 54.3 (gross amount, expenses incurred in collection included) $\times 0.75 =$ **EUR 40.7 MEUR/year for the period 01.07.2007 - 31.12.2011.**

The shortfall in traditional own resources will have to be made up by the Member States by topping up the GNP component.