



EUROPEAN
COMMISSION

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Proposal for a

COUNCIL DECISION

**on the signing, on behalf of the Union, of the Partnership and Cooperation Agreement
between the European Union and its Member States, of the one part, and the Republic
of Singapore, of the other part**

EXPLANATORY MEMORANDUM

On 25 November 2004, the Council authorised the Commission to negotiate a Partnership and Cooperation Agreement (PCA) with six ASEAN countries, including Singapore. Negotiations with Singapore were launched in October 2005 and were finalised at the end May 2013. The two sides initialled the PCA in Singapore on 14 October 2013.

The PCA with Singapore is the fourth of the 'second generation' agreements with individual ASEAN countries that has been initialled, following the agreements with Indonesia, the Philippines and Vietnam. It will supersede the current legal framework of the 1980 Cooperation Agreement between the European Economic Community and member countries of the Association of South-East Asian Nations.

This Agreement with Singapore constitutes another stepping stone towards enhanced political and economic involvement of the EU in South-East Asia. The PCA will also provide the basis for more effective bilateral engagement by the EU and its Member States with Singapore by strengthening political dialogue and enhancing cooperation in a broad range of areas.

The PCA covers the EU's standard political clauses on human rights, International Criminal Court (ICC), Weapons of Mass Destructions (WMD), Small Arms and Light Weapons (SALW) and counter-terrorism. It also encompasses cooperation in areas such as health, environment, climate change, energy, tax, education and culture, labour, employment and social affairs, science and technology, and transport. The Agreement further addresses legal cooperation, money laundering and terrorist financing, organised crime and corruption.

The PCA contains a Side Letter, which forms an integral part of the Agreement. The Side Letter confirms the parties' understanding that, at the time of signature of the Agreement, they are not aware, based on objectively available information, of any of each other's domestic laws, or their application, which could lead to the invocation of the non-execution mechanism.

The PCA also contains provisions on cooperation in the tax area. In view of the developments at the international level on a new global standard of automatic exchange of information for tax purposes, it is deemed appropriate that, at the time of signature of the PCA, both sides sign a Joint Declaration on this issue. While not an integral part of the PCA, the Joint Declaration shall express a firm political commitment on the intention of both sides to adhere to the new standard in their bilateral relations.

The PCA is complemented by the Free Trade Agreement which was initialled by the EU and Singapore on 20 September 2013. The two agreements give the EU and Singapore a platform to bring their relations to a higher level.

The Commission notes that Council Decision No 2012/272/EU on the signing of the PCA Philippines is the subject of Court Case C-377/12: the Commission asked the Court to annul this Decision insofar as the Council had added legal bases relating to transport (Articles 91 and 100 TFEU), readmission (Article 79(3) TFEU) and the environment (Article 191(4) TFEU). Court Case C-377/12 is of relevance to the proposal for a Council Decision on the signing of the PCA with Singapore, too. Subject to the Court ruling in Case-377/12, the proposal for a Council Decision on the signing of the PCA Singapore is based on Articles 207, 212 and 218(5).

The Commission draws the attention of the Council to the recital in the Agreement relating to the specific position of the UK, Ireland and Denmark based on Protocols 21 and 22 of the Treaties. The addition of this recital is due to the genesis of this text only. Depending on the outcome of case C-377/12, currently pending before the Court of Justice, this recital may have

to be dropped or reworded at a later stage. The Commission takes the view that, as long as this case is pending, the procedure for conclusion of this Agreement cannot be finalised.

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on the signing, on behalf of the Union, of the Partnership and Cooperation Agreement between the European Union and its Member States, of the one part, and the Republic of Singapore, of the other part

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Articles 207 and 212 in conjunction with Article 218(5) thereof,

Having regard to the proposal from the European Commission¹,

Whereas:

- (1) On 25 November 2004, the Council authorised the Commission to negotiate a Partnership and Cooperation Agreement with the Republic of Singapore, hereinafter referred to as ‘the Agreement’.
- (2) The negotiations were concluded and the Agreement was initialled on 14 October 2013.
- (3) The Agreement should be signed, subject to its conclusion at a later date. It is accompanied by a Side Letter forming an integral part of the Agreement, which should be signed at the same time as the Agreement.

HAS ADOPTED THIS DECISION:

Article 1

The signing of the Partnership and Cooperation Agreement between the European Union and its Member States, of the one part, and the Republic of Singapore, of the other part, and of the Side Letter attached to the Agreement is hereby authorised on behalf of the Union, subject to the conclusion of the said Agreement².

Article 2

The Council Secretariat General shall establish the instrument of full powers to sign the Agreement, subject to its conclusion, and the Side Letter, for the person(s) indicated by the negotiator of the Agreement.

¹ OJ C , , p. .

² The text of the Agreement will be published together with the decision on its conclusion.

Article 3

This Decision will enter into force on the day following its adoption.

Done at Brussels,

For the Council

The President