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Proposal for a

COUNCIL REGULATION

adapting Council Regulation (EC) No 1340/2008 of 8 December 2008 on trade in certain steel products between the European Community and the Republic of Kazakhstan by reason of the accession of Croatia to the European Union

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

Article 17(1) of the Partnership and Cooperation Agreement between the European Communities and their Member States, and the Republic of Kazakhstan provides that trade in certain steel products are to be subject to a specific agreement on quantitative arrangements.

The Bilateral Agreement between the European Community and the Government of the Republic of Kazakhstan on trade in certain steel products concluded on 19 July 2005 expired on 31 December 2006. Since 2007 autonomous measures established by Council Regulation (EC) No 1870/2006 and Council Regulation (EC) No 1531/2007 have governed the trade in certain steel products between the European Community and Kazakhstan. Pending the signature and entry into force of a new agreement or Kazakhstan's accession to the World Trade Organisation (WTO), quantitative limits starting in 2009 were established with Council Regulation (EC) No 1340/2008. In addition, this Regulation provides for a procedure to administer this regime whereby the competent authorities of the Member States do not issue import licences before obtaining confirmation from the Commission that appropriate amounts remain available within the quantitative limit.

On 1 July 2013 Croatia became a member state of the EU. The current proposal is an adaptation in order to take account of Croatia's accession to the EU.

The current proposal does not envisage any modifications of the existing quota levels. According to data from the Croatian State Office for Trade Policy during the last three years Croatia did not have any imports from Kazakhstan of steel products falling within the scope of the regulation. Furthermore, the existing quota has not been used. The quota utilisation was 0% in 2012 and 0% in 2013.

2. LEGAL ELEMENTS OF THE PROPOSAL

Article 50 of the Act of Accession of Croatia provides that where acts of the institutions adopted prior to accession require adaptation by reason of accession, and the necessary adaptations have not been provided for in the Act of Accession or its Annexes, the Council, acting by qualified majority on a proposal from the Commission should adopt the necessary acts. Where those acts are adopted after accession, they may be applied as of the date of accession.

The envisaged amendments to the regulation are directly and exclusively linked to Croatia's accession to the European Union, therefore Article 50 of Act of Accession is used as the sole legal basis.

The envisaged amendments consist of:

- 1) Amending Article 9.6 to add the two letters HR identifying Croatia as a member state intended of destination in the standardised serial number attached to each export licence or equivalent document, and
- 2) Amending Annex IV to add the Croatian national authority in the list of competent national authorities in charge of implementation of Council Regulation (EC) No 1340/2008.

3. BUDGETARY IMPLICATION

No budgetary implications are envisaged.

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to the Act of Accession of Croatia, and in particular Article 50 thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) Pursuant to Article 50 of the Act of Accession of Croatia, where acts of the institutions remain valid beyond 1 July 2013, and require adaptation by reason of accession, and the necessary adaptations have not been provided for in the Act of Accession or its Annexes, the necessary acts are to be adopted by the Council.
- (2) Council Regulation (EC) No 1340/2008 of 8 December 2008 on trade in certain steel products between the European Community and the Republic of Kazakhstan¹ was adopted prior to the accession of Croatia, requires adaptation by reason of this accession and such an adaptation is not provided for in the Act of Accession of Croatia or its Annexes.
- (3) Therefore, it is appropriate to add the two letters identifying Croatia as a Member State of intended destination in the standardised serial number attached to each export licence or equivalent document and add the Croatian national authority to the list of competent national authorities in charge of implementation of Council Regulation (EC) No 1340/2008.
- (4) Retroactive application is necessary to ensure that trade in steel products under Council Regulation (EC) No 1340/2008 is not affected.
- (5) Regulation (EC) No 1340/2008 should be amended accordingly,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EC) No 1340/2008 shall be amended as follows:

- (1) Article 9 paragraph 6 shall be replaced by the following:

“6. The serial number shall be composed of the following elements:

 - two letters identifying the exporting country as follows:

¹ Council Regulation (EC) No 1340/2008 of 8 December 2008 on trade in certain steel products between the European Community and the Republic of Kazakhstan (OJ L 348, 24.12.2008, p. 1.)

- KZ = Republic of Kazakhstan,
- two letters identifying the Member State of intended destination as follows:
BE = Belgium
BG = Bulgaria
CZ = Czech Republic
DK = Denmark
DE = Germany
EE = Estonia
IE = Ireland
GR = Greece
ES = Spain
FR = France
HR = Croatia
IT = Italy
CY = Cyprus
LV = Latvia
LT = Lithuania
LU = Luxembourg
HU = Hungary
MT = Malta
NL = Netherlands
AT = Austria
PL = Poland
PT = Portugal
RO = Romania
SI = Slovenia
SK = Slovakia
FI = Finland
SE = Sweden
GB = United Kingdom,
 - a one-digit number identifying the quota year corresponding to the last figure in the year in question, e.g. ‘9’ for 2009,
 - a two-digit number identifying the issuing office in the exporting country,
 - a five-digit number running consecutively from 00 001 to 99 999 allocated to the specific Member State of destination.”

- (2) Annex IV to Regulation (EC) No 1340/2008 is replaced by the text in the Annex to this Regulation.

Article 2

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

It shall apply from 1 July 2013.

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

Done at Brussels,

For the Council
The President