

Brussels, 5.7.2018
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ANNEX

ANNEX

to the

Proposal for a

COUNCIL DECISION

**on the conclusion, on behalf of the European Union, of the Agreement in the form of an
Exchange of Letters between the Union and the People's Republic of China in
connection with the WTO dispute settlement proceedings DS492 Measures affecting
Tariff Concessions on Certain Poultry Meat Products**

ANNEX

AGREEMENT IN THE FORM OF AN EXCHANGE OF LETTERS

Between the European Union and the People's Republic of China in relation to DS492 European Union - Measures affecting Tariff Concessions on Certain Poultry Meat Products

A. Letter from the European Union

Sir/Madam,

I have the honour to write to you concerning the above mentioned WTO dispute and the results of our negotiations towards a mutually agreed solution.

The European Union shall open the following Tariff Rate Quotas (TRQ)¹:

a TRQ of 6060 tonnes for the tariff line 1602.3929 (with specific country allocation of 6000 tonnes to China and 60 tonnes to all others), with an in-quota duty rate of 10.9%

a TRQ of 660 tonnes for the tariff line 1602.3985 (with specific country allocation of 600 tonnes to China and 60 tonnes to all others), with an in-quota duty rate of 10.9%

an erga omnes TRQ of 5000 tonnes for the tariff line 1602.3219, with an in-quota duty rate of 8%

The European Union and China shall notify each other of the completion of their internal procedures for the entry into force of this agreement. The agreement shall enter into force 14 days after the date of receipt of the latest notification. The European Union shall open the above mentioned TRQs from the date of entry into force of this agreement.

After opening of the TRQs, the European Union and China shall notify this agreement to the Dispute Settlement Body (DSB) as a mutually agreed solution under Article 3.6 of the DSU in relation to DS492 European Union – Measures affecting Tariff Concessions on Certain Poultry Meat Products. On this basis, China confirms that, with regard to DS492, it will neither request initiation of procedures pursuant to Article 21.5 of the DSU nor request suspension of concessions or other obligations pursuant to DSU Article 22.6, as long as the European Union is in compliance with all of its obligations under this Agreement.

I should be obliged if you would confirm that your Government is in agreement with the above.

I have the honour to propose that, if the above is acceptable to your Government, this letter and your confirmation shall together constitute an Agreement in the form of an Exchange of Letters between the European Union and the People's Republic of China.

Please accept, Sir/Madam, the assurance of my highest consideration.

¹ *The allocation to China for the first two TRQs is in agreement with Thailand.*

Cc. Thailand

On behalf of the European Union

B. Letter from China

Sir/Madam,

I have the honour to acknowledge the receipt of your letter of today's date, which reads as follows:

"I have the honour to write to you concerning the above mentioned WTO dispute and the results of our negotiations towards a mutually agreed solution.

The European Union shall open the following Tariff Rate Quotas (TRQ)²:

a TRQ of 6060 tonnes for the tariff line 1602.3929 (with specific country allocation of 6000 tonnes to China and 60 tonnes to all others), with an in-quota duty rate of 10.9%

a TRQ of 660 tonnes for the tariff line 1602.3985 (with specific country allocation of 600 tonnes to China and 60 tonnes to all others), with an in-quota duty rate of 10.9%

an erga omnes TRQ of 5000 tonnes for the tariff line 1602.3219, with an in-quota duty rate of 8%

The European Union and China shall notify each other of the completion of their internal procedures for the entry into force of this agreement. The agreement shall enter into force 14 days after the date of receipt of the latest notification. The European Union shall open the above mentioned TRQs from the date of entry into force of this agreement.

After opening of the TRQs, the European Union and China shall notify this agreement to the Dispute Settlement Body (DSB) as a mutually agreed solution under Article 3.6 of the DSU in relation to DS492 European Union – Measures affecting Tariff Concessions on Certain Poultry Meat Products. On this basis, China confirms that, with regard to DS492, it will neither request initiation of procedures pursuant to Article 21.5 of the DSU nor request suspension of concessions or other obligations pursuant to DSU Article 22.6, as long as the European Union is in compliance with all of its obligations under this Agreement."

I hereby have the honour to express my Government's agreement with the above letter.

On behalf of the People's Republic of China

² *The allocation to China for the first two TRQs is in agreement with Thailand.*