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EUROPEAN COMMISSION

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2010/0272 (COD)

Proposal for a

**REGULATION (EU) No
OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

repealing Council Regulation (EC) No 1541/98 on proof of origin for certain textile products falling within Section XI of the Combined Nomenclature and released for free circulation in the Community, and on the conditions for the acceptance of such proof and amending Council Regulation (EEC) No 3030/93 on common rules for imports of certain textile products from third countries

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

Objective of the proposal

The proposal to repeal Council Regulation (EC) No 1541/98 of 13 July 1998 on proof of origin for certain textile products falling within Section XI of the Combined Nomenclature and released for free circulation in the Community, and on the conditions for the acceptance of such proof aims to achieve a simplification of the formalities carried out by importers and increase the uniformity of the rules for import. For the consistency it is also proposed to amend Council Regulation (EEC) No 3030/93 of 12 October 1993 on common rules for imports of certain textile products from third countries.

General context

The requirements regarding the presentation of proof of origin for textile products were introduced with a view to ensuring the correct application of measures on products to which the quantitative restrictions applied and avoid market disruption caused by imports from the PR of China.

Regulation (EC) No 1541/98 provides for the conditions of acceptance of proofs of origin for certain textile products originating in third countries and falling within Section XI of the Combined Nomenclature, listed in Annex I to Regulation (EEC) No 3030/93.

Over recent years the import measures applied by the Union to textile products have gradually decreased in their number and impact. Quantitative restrictions on imports originating in countries which are WTO Members were eliminated with the expiry of the WTO Agreement on Textile and Clothing in 2005. Special safeguard provisions for imports of textiles and apparel products originating in the PR of China and covered by the Agreement on Textiles and Clothing (ATC) ended on 31 December 2008 and the regime of double checking surveillance system of imports categories originating in the PR of China expired.

The management of imports of textile products from third countries, not members of the WTO, subject to remaining quantitative restrictions is based on import authorizations and not on the proofs of origin.

The presentation of a proof of origin has no value when a system of surveillance is applied for the categories of products not subject to quantitative restrictions. Given that the products can be imported without any constraints, there is no reason for demanding guarantees regarding their origin.

As a consequence, taken that the Union trade policy measures in textiles sector are limited and can be managed without proofs of origin, it is proposed to repeal Council Regulation (EC) No 1541/98 and in parallel to amend the related provisions of Council Regulation (EEC) No 3030/93.

Existing provisions in the area of the proposal

Council Regulation (EC) No 1541/98 of 13 July 1998 on proof of origin for certain textile products falling within Section XI of the Combined Nomenclature and released for free circulation in the Community, and on the conditions for the acceptance of such proof.

Council Regulation (EEC) No 3030/93 of 12 October 1993 on common rules for imports of certain textile products from third countries.

Council Regulation (EEC) No 2913/92 of 12 October 1992 establishing the Community Customs Code provides in Article 26 that the customs authorities may require any additional proof of origin.

Commission Regulation (EEC) No 2454/93 of 2 July 1993 laying down provisions for the implementation of Council Regulation (EEC) No 2913/92 establishing the Community Customs Code providing that Box 34 of the single administrative document, completed in accordance with the single administrative document explanatory notes in Annex 37, contains the country of origin for imported products. This indication is subject to the normal verification procedures, including the possibility for the customs authorities to require additional proof, where appropriate, on a case by case basis.

Consistency with the other policies and objectives of the European Union

The proposal is in line with the current policy of simplification, since its objective is removing from the Union set of rules a legal instrument which is unnecessary.

2. CONSULTATION OF INTERESTED PARTIES AND IMPACT ASSESSMENT

Consultation of interested parties

Not relevant.

Impact assessment

Since the proposal regards the repeal of an existing regulation, the two possible options are: 1) no legislative action; 2) legislative action.

The first option would imply that, despite the expiry of bilateral textile agreements and quantitative restrictions for textile products, Regulation No 1541/98 would remain in force. Proof of origin for textile products would therefore continue to be required for release in free circulation, although there is no longer any risk that the origin of goods could be used in order to circumvent import restrictions. This solution appears not to be in line with the consistency of Community law and the recognized need for its simplification. It should also be noted that businesses are very concerned about the burden of existing regulation pointing out that the costs of certification of origin are higher than an effective system of regulation should impose.

The repeal of Regulation No 1541/98, on the contrary, will contribute to improve the regulatory environment for industry and to align the rules relating to imports of textiles with those for other industrial products, for which presentation of certificates of origin is not compulsory. In all cases origin is declared in the single administrative document to be presented for the release for free circulation of goods.

3. LEGAL ELEMENTS OF THE PROPOSAL

Summary of the proposed action

It is proposed to repeal Council Regulation (EC) No 1541/98 and amend Council Regulation (EEC) No 3030/93.

Legal basis

Article 207(2) of the Treaty on the Functioning of the European Union is the legal basis of this proposal.

Subsidiarity principle

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

Proportionality principle

The proposal conforms to the principle of proportionality since the only way to repeal Council Regulation (EC) No 1541/98 and amend Council Regulation (EEC) No 3030/93 is adopting a Regulation of the European Parliament and of the Council.

The proposal does not imply any burden on the customs authorities.

Choice of instruments

Proposed instrument: Regulation of the European Parliament and the Council.

Other means would not be adequate for the following reason: the proposal aims at repealing a Council Regulation, only a Regulation of the European Parliament and the Council may be used.

4. BUDGETARY IMPLICATION

The proposal has no implication for the Union budget as it does not involve any additional expenditure.

5. ADDITIONAL INFORMATION

Simplification

The proposal provides for simplification of legislation and reduction of administrative burdens.

European Economic Area

The proposed act does not concern an EEA.

Entry into force

For reasons of legal consistency, the repeal of Council Regulation (EC) No 1541/98 should enter into force at the time of related amendments of Council Regulation No (EEC) 3030/93

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THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 207(2) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national Parliaments,

Acting in accordance with the ordinary legislative procedure,

Whereas:

- (1) Council Regulation (EC) No 1541/98¹ provides for the rules on proofs of origin for certain textile products originating in third countries with which the Union concluded bilateral agreements, protocols and other arrangements, or for textile products for which the Union introduced a system of surveillance in order to monitor the trends of imports of products, or applies special safeguard measures.
- (2) Since the adoption of Regulation (EC) No 1541/98 a number of major developments have taken place. The import measures applied by the Union to textile products of Section XI of the Combined Nomenclature have gradually decreased in their number and impact and are now of a residual nature, in terms of both Combined Nomenclature headings covered and countries concerned.
- (3) Council Regulation (EEC) No 2913/92 of 12 October 1992 establishing the Community Customs Code provides in Article 26 that the customs authorities may require any additional proof of origin.
- (4) In all cases box 34 of the single administrative document, completed in accordance with the single administrative document explanatory notes in Annex 37 to Commission Regulation (EEC) No 2454/93 of 2 July 1993 laying down provisions for the implementation of Council Regulation (EEC) No 2913/92 establishing the

¹ OJ L 202, 18.7.1998, p. 11.

Community Customs Code² must contain the country of origin for imported products. This indication is subject to the normal verification procedures, including the possibility for the customs authorities to require additional proof, where appropriate, on a case by case basis.

- (5) The obligation to provide additional proof of origin, on a systematic basis, for the textile products in question has become disproportionate in relation to its aim of supplementing certain import measures which have themselves practically fallen into disuse and thus places unnecessary burdens on traders.
- (6) Given that the products in question can be imported without any constraints and the above-mentioned possibilities for customs authorities to require additional information, notably in case of doubt upon importation, there is no longer necessity for maintaining the additional administrative requirements provided for in Regulation (EC) No 1541/98.
- (7) Regulation (EC) No 1541/98 should therefore be repealed.
- (8) Council Regulation (EEC) No 3030/93³ providing that the proof of origin in accordance with Regulation (EC) No 1541/98 may be accepted in certain cases should be amended accordingly,

HAVE ADOPTED THIS REGULATION:

Article 1

Regulation (EC) No 1541/98 is repealed.

Article 2

In the first subparagraph of Article 1 (6) of Regulation (EEC) No 3030/93 the second sentence is deleted.

Article 3

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

² OJ L 253, 11.10.1993, p.1.

³ OJ L 275, 8.11.1993, p. 1

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

Done at Brussels,

For the European Parliament
The President

For the Council
The President