Exercise of the Union's rights for the application and enforcement of international trade rules

2012/0359(COD) - 15/05/2014 - Final act

PURPOSE: to create a new framework to enhance the EU's ability to enforce its rights in the international trading system.

LEGISLATIVE ACT: Regulation (EU) No 654/2014 of the European Parliament and of the Council concerning the exercise of the Union's rights for the application and enforcement of international trade rules and amending Council Regulation (EC) No 3286/94 laying down Community procedures in the field of the common commercial policy in order to ensure the exercise of the Community's rights under international trade rules, in particular those established under the auspices of the World Trade Organization (WTO).

CONTENT: the Union has concluded a number of multilateral, regional and bilateral international trade agreements creating rights and obligations for the mutual benefit of the parties.

This Regulation lays down **rules and procedures to ensure an effective and timely exercise of the Union's rights to suspend or withdraw concessions** or other obligations under international trade agreements, with the intention of:

- **responding to breaches by third countries** of international trade rules which affect the Union's interests, with a view to seeking a satisfactory solution that restores benefits for the Union's economic operators;
- **rebalancing concessions** or other obligations in the trade relations with third countries, when the treatment accorded to goods from the Union is altered in a way that affects the Union's interests.

Enforcement of Union rights: in order to safeguard the Union's interests, the Commission should adopt immediately applicable implementing acts where, in duly justified cases relating to the need to adapt commercial policy measures to the behaviour of the third party concerned, imperative grounds of urgency so require.

Commercial policy measures shall be **determined on the basis of the following criteria**, in light of available information and of the Union's general interest:

effectiveness of the measures in inducing compliance of third countries with international trade rules;

potential of the measures to provide relief to economic operators within the Union affected by third country measures;

availability of alternative sources of supply for the goods or services concerned;

avoidance of disproportionate administrative complexity and costs in the application of the measures.

Measures that may be enacted by means of an implementing act shall consist of: (a) the suspension of tariff concessions and the imposition of new or increased customs duties; (b) the introduction or increase of quantitative restrictions on imports or exports of goods; (c) the suspension of concessions regarding goods, services or suppliers in the area of public procurement.

Rules of origin: the origin of a good shall be determined in accordance with Regulation (EEC) No 2913 /92. When enforcing the Union's rights following dispute settlement in the area of public procurement, the origin of a service should be determined on the basis of the origin of the natural or legal person providing it.

Review: the Commission should review the scope, functioning and efficiency of this Regulation, including possible measures in the sector of **intellectual property rights** and additional measures concerning **services**, no later than three years after the first instance of its implementation or no later than 18 July 2019, whichever is the earlier. The Commission should report on its assessment to the European Parliament and the Council. The review may be followed up by appropriate legislative proposals.

ENTRY INTO FORCE: 17.07.2014.