EU/Euratom/Moldova Association Agreement: implementing the safeguard clause and anti-circumvention mechanism

2015/0079(COD) - 09/03/2016 - Final act

PURPOSE: to implement the safeguard clause and the anti-circumvention mechanism provided for in the Association Agreement between the EU and Moldavia.

LEGISLATIVE ACT: Regulation (EU) 2016/400 of the European Parliament and of the Council implementing the safeguard clause and the anti-circumvention mechanism provided for in the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and the Republic of Moldova, of the other part.

CONTENT: the EU-Moldova Association Agreement was signed on 24 June 2014 and has been provisionally applied from 1 September 2014. This Agreement includes:

- **a bilateral safeguard clause** which allows for the temporary suspension of preferences in case their application would result in an unexpected and significant increase of imports causing economic damage to the domestic industry of the importing party. In concrete terms, this instrument makes it possible to either suspend the further tariff liberalisation or reintroduce the most favoured nation (MFN) customs duty rate;

- **an anti-circumvention mechanism**, which provides for the possibility to reintroduce the MFN customs duty rate when imports of certain agricultural goods from Moldova exceed a given threshold without due justification of their exact origin.

Objective: the Regulation lays down provisions for the **implementation of the safeguard clause and the anti-circumvention mechanism** provided for in the Agreement. It applies to products originating in Moldova.

Safeguard measures: such measures may be imposed where a product originating in Moldova is imported into the Union in such increased quantities, in absolute terms or relative to Union production, and under such conditions as to cause or threaten to cause serious injury to the Union industry.

The Commission should receive information, including available evidence, from the Member States of any trends in imports that might call for the application of safeguard measures. If there is sufficient *prima facie* evidence to justify the initiation of proceedings, the Commission should publish a notice in the *Official Journal of the European Union*.

The Regulation contains detailed provisions on the initiation of investigations, access to information gathered and inspections by interested parties of such information, hearings for the interested parties involved and opportunities for those parties to submit their views. An investigation should precede the application of any safeguard measure, subject to the Commission being allowed to apply provisional safeguard measures in critical circumstances.

A safeguard measure shall remain in force only for such period of time as may be necessary to prevent or remedy serious injury to Union industry and to facilitate adjustment.

Anti-circumvention mechanism: the Regulation also provides for the possibility of suspending the preferential duties for a maximum period of 6 months when the imports of certain products reach the annual import volumes defined in the Agreement.

Implementation: implementing powers are conferred on the Commission in order to ensure uniform conditions for the adoption of provisional and definitive safeguard measures, for the imposition of prior surveillance measures, for the termination of an investigation without measures and for the implementation of the anti-circumvention mechanism provided for in the Agreement. The Commission will adopt immediately applicable implementing acts imposing provisional safeguard measures in duly justified cases, where imperative grounds of urgency so require.

Annual report: for reasons of transparency, the Commission will submit an annual report to the European Parliament and to the Council on the implementation of the Agreement and the application of the safeguard measures and the anti-circumvention mechanism.

The European Parliament may, within 1 month of submission of the Commission's report, invite the Commission to an ad hoc meeting of its responsible committee to present and explain any issues related to the implementation of the Regulation.

ENTRY INTO FORCE: 24.3.2016.