Agreement on Trade in Civil Aircraft: amending Annex. 2015 Protocol

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PURPOSE: to conclude, on behalf of the European Union, the Protocol (2015) Amending the Product Coverage Annex of the Agreement on Trade in Civil Aircraft (ATCA).

PROPOSED ACT: Council Decision.

ROLE OF THE EUROPEAN PARLIAMENT: Council may adopt the act only if Parliament has given its consent to the act.

BACKGROUND: the 1979 World Trade Organisation (WTO) plurilateral Agreement on Trade in Civil Aircraft was adopted as part of the Tokyo Round. It entered into force on 1 January 1980 and it now has 32 signatories.

This Agreement **eliminates import duties on all aircraft**, other than military aircraft, as well as on all other products covered by the agreement, in particular civil aircraft engines and their parts and components, all components and sub-assemblies of civil aircraft, and flight simulators and their parts and components.

It contains disciplines on government-directed procurement of civil aircraft and prohibition of inducements to purchase, as well as on government financial support for the civil aircraft sector.

The Annex to the Agreement **lists the products that shall be accorded duty-free or duty-exempt treatment**, if such products are for the use in civil aircraft or ground flying trainers and for incorporation therein, in the course of their manufacture, repair, maintenance rebuilding, modification or conversion.

Products in the Annex of the Agreement are classified according to their respective tariff headings for customs purposes under the Harmonized Commodity Description and Coding System (Harmonized System) developed by the World Customs Organization.

Since the adoption of the ATCA, different versions of Harmonized System have been adopted.

In November 2001, members adopted a Protocol Amending the Annex to the ATCA, transposing into the Annex the changes introduced in the 1992, 1996 and 2002 versions of the Harmonised System.

Another revision of the Harmonized System took place in 2007. On 5 November 2015, after several years of discussions, the WTO Committee on Trade in Civil Aircraft agreed to open for acceptance the revised Product Coverage of the 1979 Agreement on Trade in Civil Aircraft via the Protocol amending the annex to the ATCA.

CONTENT: the Commission is presenting the Commission is submitting a proposal to the Council for a decision on the **conclusion of the Protocol amending the Product Coverage Annex of the Agreement on Trade in Civil Aircraft**.

The protocol covers matters that fall under the common commercial policy and the amendment concerns a technical update of an international agreement without altering its scope or content.

The new Protocol open for acceptance on 5th November 2015 by the WTO Committee on Trade in Civil Aircraft will modify the 2001 Protocol to make it compatible with the 2007 version of the Harmonized System.