Application of Union tariff rate quotas and other import quotas

2020/0176(COD) - 14/08/2020 - Legislative proposal

PURPOSE: to address the consequences of the United Kingdom's withdrawal from the EU and in particular to prepare for the implementation of the Withdrawal Agreement and the Protocol on Ireland and Northern Ireland as regards the application of tariff and other quotas on imports from the Union.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: the Protocol on Ireland/Northern Ireland annexed to the Withdrawal Agreement reiterates that Northern Ireland is part of the customs territory of the United Kingdom, and that nothing in the Protocol prevents the United Kingdom from including Northern Ireland in the territorial scope of its Schedules of Concessions annexed to the General Agreement on Tariffs and Trade 1994 (‘GATT 1994’).

This means that despite Northern Ireland being formally in the United Kingdom’s customs territory, the United Kingdom, in respect of Northern Ireland, is obliged to apply the Union’s customs legislation as if Northern Ireland were still in the Union’s customs territory.

The bilateral arrangements between the Union and the United Kingdom under the Protocol do not give rise to rights and obligations for third countries.

Consequently, any imports pursuant to Union import tariff rate quotas or other import quotas applying to goods originating in a third country brought into Northern Ireland could not be counted towards that third country’s rights vis-à-vis the Union, unless agreed by the third country. That situation poses a risk to the proper functioning of the Union’s Single Market and the integrity of the Common Commercial Policy through the possible circumvention of the Union’s tariff rate quotas or other import quotas.

To address that risk, the Union’s import tariff rate quotas and other import quotas should be available only for goods imported and released into free circulation in the Union and not in Northern Ireland.

Any agreement of the Union with a third country providing for export tariff rate quotas applies only to goods imported within the Union. Therefore, that third country could refuse to issue export licenses for direct imports into Northern Ireland.

By virtue of the Protocol, this Regulation also applies to and in the United Kingdom in respect of Northern Ireland.

CONTENT: under the proposed Regulation, the Union’s tariff rate quotas and other import quotas on imports should be available only for goods imported from outside of the Union and released into free circulation in the Union.

The proposal lists the relevant customs territories, which make up the Union customs territory. This list does not include Northern Ireland, which has the effect that the Union’s tariff rate quotas and other import quotas would not be available for imports into Northern Ireland.

The Regulation should start the day following the end of transition period, on 1 January 2021.