Exceptional trade measures for countries and territories participating in or linked to the Stabilisation and Association process. Codification

2022/0304(COD) - 04/10/2022 - Legislative proposal

PURPOSE: to adopt exceptional trade measures for countries and territories participating in or linked to the Stabilisation and Association Process (codification)

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 on an equal footing with the Council.

BACKGROUND: in the interests of clarity and transparency of the law, the purpose of this proposal is to undertake a codification of Council Regulation (EC) No 1215/2009 introducing exceptional trade measures for countries and territories participating in or linked to the European Union's Stabilisation and Association process, which has been substantially amended several times. The new Regulation will supersede the various acts incorporated in it, without in any way detracting from their content, and will simply bring them together with only such formal amendments as are required by the codification exercise itself.

CONTENT: the proposal provides for the following:

Preferential arrangements

Under the proposed Regulation, products originating in **Albania, Bosnia and Herzegovina, Kosovo, Northern Macedonia, Montenegro and Serbia** (countries and territories participating in or linked to the Stabilisation and Association process) covered by Chapters 7 and 8 of the Combined Nomenclature will be admitted for imported into the Union without quantitative restrictions or measures having equivalent effect, and with exemption from customs duties and charges having equivalent effect.

Conditions for entitlement to the preferential arrangements

Entitlement to benefit from the preferential arrangements will be subject to the following conditions:

- compliance with the definition of ‘originating products’ provided for in Delegated Regulation (EU) 2015 /2446 and Implementing Regulation (EU) 2015/2447;

- abstention of the beneficiary parties from **introducing new duties and charges** having equivalent effect and new quantitative restrictions or measures having equivalent effect in respect of imports originating in the Union, from increasing existing levels of duties or charges or from introducing any other restrictions;

- the involvement of beneficiary parties in effective administrative cooperation with the Union to prevent any risk of fraud; and

- abstention of the beneficiary parties from engaging in serious and systematic violations of **human rights** , including core labour rights, of fundamental principles of democracy and of the rule of law.

Entitlement to benefit from the preferential arrangements will be subject to the readiness of the beneficiary parties to engage in **effective economic reforms and in regional cooperation** with other countries involved in the European Union's Stabilisation and Association process, in particular through the establishment of free trade areas in accordance with Article XXIV of the GATT 1994 and other relevant WTO provisions.

In the event of non-compliance by a beneficiary party, the Commission may, by means of implementing acts, suspend, in whole or in part, the entitlement of the beneficiary party concerned to benefits under this Regulation.

Agricultural products - tariff quotas

For certain wine products originating in the beneficiary parties, the proposal provides for the suspension of customs duties applicable to imports into the Union during the periods, at the levels, within the limits of the Union tariff quota and under the conditions indicated for each product and origin.

Protective measures and temporary suspension

The Commission may take protective measures if imports of agricultural and fishery products cause serious disturbance to the EU internal market.

Where the Commission finds sufficient evidence of fraud or failure to provide administrative cooperation as required for the verification of evidence of origin, or of a massive increase in exports to the Union above the normal level of production and export capacity, or a failure to comply with the conditions for granting preferential arrangements, by the beneficiary parties, it may take measures to suspend, in whole or in part, the arrangements provided for in this Regulation for a period of three months.

The Regulation will apply until **31 December 2025**.