Scheme of generalised tariff preferences

2023/0252(COD) - 04/07/2023 - Legislative proposal

PURPOSE: to extend the validity of Regulation (EU) No 978/2012 applying a generalised tariff preference scheme (GSP) until 31 December 2027.

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: since 1971, the Community has granted trade preferences to developing countries under its Generalised System of Preferences (GSP). Regulation (EU) No 978/2012 of the European Parliament and of the Council provides for the application of the GSP until 31 December 2023, with the exception of the special scheme for the least-developed countries to which that expiry date does not apply.

On 22 September 2021, the European Commission adopted a Proposal for a Regulation of the European Parliament and Council on applying a generalised scheme of tariff preferences. The new Regulation would repeal Regulation (EU) No 978/2012 of the European Parliament and of the Council and enter into force from 1 January 2024. The ordinary legislative procedure is ongoing and may not be completed by 31 December 2023. It is therefore necessary to propose an extension of Regulation (EU) No 978/2012 in order to ensure the continued operation of the scheme beyond 31 December 2023 until the adoption and application of the successor regulation.

CONTENT: the Commission proposes to **maintain the current GSP Regulation beyond 31 December 2023**, with no changes, until the moment a successor Regulation is agreed among legislators and enters into force, after an appropriate transition period.

Given the prevailing uncertainties about the time it will take to complete the legislative process on the new GSP Regulation, it is proposed to extend the validity of the current GSP Regulation until 31 December 2027.

The proposal on the extension of the current GSP Regulation does not incur costs charged to the EU budget. Its application would also not entail any loss of customs revenue compared to the current situation.