Outermost regions, French overseas departments: dock dues (extend. Decision 89/688 /EEC)

2003/0308(CNS) - 17/12/2003 - Legislative proposal

PURPOSE : to extend and amend the tax arrangements as regards exemptions and reductions in dock dues for products manufactured locally in the French overseas departments. PROPOSED ACT : Council Decision. CONTENT : Council Decision 89/688/EEC states that in view of the specific constraints on the overseas departments, partial or total exemptions from dock dues may be authorised for local production activities for a period of not more than ten years from the date of the introduction of the charge. This period should have expired on 31 December 2002. This draft decision authorises the French authorities to apply, until 31 December 2013 (i.e. for ten years) exemptions from dock dues or reduced dock dues for the products listed in the Annex, which are manufactured locally in the French DOMs. It sets the maximum authorised tax differentials between local products and products from abroad. Depending on the categories of goods listed in the Annex, these maximum differentials are 10, 20 or 30 percentage points. Furthermore: - for products to which only a tax reduction is applied the proposal allows the maximum differentials to be exceeded if the persons liable for the tax normally due are firms whose annual turnover is less than EUR 550 000 and which are accordingly exempt from the tax. The extra tax differential may not, however, exceed 5 percentage points; - the planned exemption from dock dues on locally manufactured products not listed in the Annex for firms with an annual turnover of less than EUR 550 000, should be such that the tax differential for such products depends on whether or not such products are locally manufactured. This tax difference must not exceed five percentage points; - the draft decision excludes the application of tax differentials to agricultural products for processing or for use as agricultural inputs which are entitled to aid through Regulation 1452/2001, and especially the specific supply arrangements, in the form of subsidies or exemptions from customs duties; - the French authorities are required to notify the Commission without delay of dock dues arrangements providing for differential taxation of goods. The Community framework may be adapted at the end of five years on the basis of an evaluation report which the French authorities are obliged to transmit to the Commission, to check the impact of the measures and their contribution to promoting or maintaining local economic activities; - in order to ensure continuity with the current arrangements, the date from which the Decision becomes applicable is set at 1 January 2004, and will take effect on 1 July 2004. To avoid any sort of legal vacuum, the application of Council Decision 89/688/EEC is extended for a six-month period until that date.