# Preferential tariff arrangements: management

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OBJECTIVE: to analyse the discrepancies of preferential tariff arrangements with a view to strengthening these arrangements. SUBSTANCE: as the leading entity in world trade, the Community put this economic advantage to use in its external policies of which preferential tariff arrangements were one of the main implementing instruments. From being the exception, these arrangements had, in many cases, become the rule, and they played an important part in the Community's external policies and in dealing by traders. The Commission's Communication proposes a detailed analysis of the discrepancies of preferential tariff arrangements and put forward proposals aimed at reforming the conditions of application. The European Parliament was greatly concerned by two essential characteristics of this problem: the fight against fraud and the Community's external policy on development. The European Commission considered that the problem was a global one, but pointed out that the players in preferential tariff arrangements - Community traders, customs authorities of the Member States, as well as producers and exporters in third countries - were often responsible for such a situation, as well as being victims thereof. In fact, the discrepancies were numerous and they were becoming worse. Preferential treatment could be obtained by using the wrong tariff classification for goods, by giving a false indication of the customs value and, as was becoming more common, by the traders concerned not abiding by the rules of origin. No category of products was untouched by such discrepancies. For the provision of the answers, the Commission stated that it would be necessary, amongst other things: - to settle previous cases on the basis of the ruler existing at the time that the facts had been established, in conformity with the legal precedent setting out that faith in the certificate of origin was not normally protected, but constituted a 'normal commercial risk'; - to restore confidence in the arrangements, particularly by making sure that the Member States, first and foremost responsible in the application thereof, attained this in a uniform and harmonized manner; - to make all of the players in the arrangements aware of their responsibilities, in their mutual interest, so that they assumed their obligations on this question and to put them in a position to do so; - to legislate, whenever it became necessary.