Basic information

2015/0079(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	Procedure completed
EU/Euratom/Moldova Association Agreement: implementing the safeguard clause and anti-circumvention mechanism See also 2014/0083(NLE) **Subject** 6.20.03 Bilateral economic and trade agreements and relations 6.40.15 European neighbourhood policy **Geographical area** Moldova	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
INTA International Trade	SCHOLZ Helmut (GUE/NGL)	13/07/2015
	Shadow rapporteur WINKLER Iuliu (PPE) DANTI Nicola (S&D) ZAHRADIL Jan (ECR) TAKKULA Hannu (ALDE) JADOT Yannick (Verts/ALE)	

Committee for opinion	Rapporteur for opinion	Appointed
AFET Foreign Affairs	The committee decided not to give an opinion.	
ITRE Industry, Research and Energy	The committee decided not to give an opinion.	
AGRI Agriculture and Rural Development	DĂNCILĂ Viorica (S&D)	19/05/2015

Council of the European Union

Council configuration	Meetings	Date
Competitiveness (Internal Market, Industry, Research and Space)	3451	2016-02-29

European Commission	Commission DG	Commissioner
	Trade and Economic Security	MALMSTRÖM Cecilia

Key events

Date	Event	Reference	Summary
14/04/2015	Legislative proposal published	COM(2015)0154	Summary
27/04/2015	Committee referral announced in Parliament, 1st reading		
10/12/2015	Vote in committee, 1st reading		
14/12/2015	Committee report tabled for plenary, 1st reading	A8-0364/2015	Summary
03/02/2016	Decision by Parliament, 1st reading	T8-0035/2016	Summary
03/02/2016	Results of vote in Parliament		
29/02/2016	Act adopted by Council after Parliament's 1st reading		
29/02/2016	End of procedure in Parliament		
09/03/2016	Final act signed		
23/03/2016	Final act published in Official Journal		

Technical information

Procedure reference	2015/0079(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
Amendments and repeals	See also 2014/0083(NLE)
Legal basis	Treaty on the Functioning of the European Union TFEU 207-p2
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	INTA/8/03249

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee opinion	AGRI	PE560.764	14/10/2015	
Committee draft report		PE571.451	29/10/2015	
Amendments tabled in committee		PE572.843	24/11/2015	

Committee report tabled for plenary, 1st reading/single reading		A8-0364/2015	14/12/2015	Summary
Text adopted by Parliament, 1st reading/single reading		T8-0035/2016	03/02/2016	Summary

Council of the EU

Document type	Reference	Date	Summary
Draft final act	00073/2015/LEX	09/03/2016	

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2015)0154	14/04/2015	Summary
Commission response to text adopted in plenary	SP(2016)221	31/03/2016	

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Regulation 2016/0400
OJ L 077 23.03.2016, p. 0053 Summary

EU/Euratom/Moldova Association Agreement: implementing the safeguard clause and anti-circumvention mechanism

2015/0079(COD) - 03/02/2016 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 577 votes to 11, with 52 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council implementing the safeguard clause and the anti-circumvention mechanism providing for the temporary suspension of tariff preferences of the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and the Republic of Moldova, of the other part.

Parliament's position, adopted at first reading under the ordinary legislative procedure, amended the Commission proposal regarding two issues:

Imposition of definitive safeguard measures: the Commission shall invite the authorities of the Republic of Moldova to **hold consultations** in accordance with Article 160(2) of the Agreement. Where no satisfactory solution has been reached within 30 days, the Commission may adopt, by means of implementing acts, definitive safeguard measures.

Report: the amended text obliges the Commission to **include in its annual report** on the application and implementation of this Regulation information about the application of provisional and definitive safeguard measures, as well as the application of the anti-circumvention mechanism.

EU/Euratom/Moldova Association Agreement: implementing the safeguard clause and anti-circumvention mechanism

2015/0079(COD) - 09/03/2016 - Final act

PURPOSE: to implement the safeguard clause and the anti-circumvention mechanism provided for in the Association Agreement between the EU and Moldavia.

LEGISLATIVE ACT: Regulation (EU) 2016/400 of the European Parliament and of the Council implementing the safeguard clause and the anti-circumvention mechanism provided for in the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and the Republic of Moldova, of the other part.

CONTENT: the EU-Moldova Association Agreement was signed on 24 June 2014 and has been provisionally applied from 1 September 2014. This Agreement includes:

- **a bilateral safeguard clause** which allows for the temporary suspension of preferences in case their application would result in an unexpected and significant increase of imports causing economic damage to the domestic industry of the importing party. In concrete terms, this instrument makes it possible to either suspend the further tariff liberalisation or reintroduce the most favoured nation (MFN) customs duty rate;

- **an anti-circumvention mechanism**, which provides for the possibility to reintroduce the MFN customs duty rate when imports of certain agricultural goods from Moldova exceed a given threshold without due justification of their exact origin.

Objective: the Regulation lays down provisions for the **implementation of the safeguard clause and the anti-circumvention mechanism** provided for in the Agreement. It applies to products originating in Moldova.

Safeguard measures: such measures may be imposed where a product originating in Moldova is imported into the Union in such increased quantities, in absolute terms or relative to Union production, and under such conditions as to cause or threaten to cause serious injury to the Union industry.

The Commission should receive information, including available evidence, from the Member States of any trends in imports that might call for the application of safeguard measures. If there is sufficient *prima facie* evidence to justify the initiation of proceedings, the Commission should publish a notice in the *Official Journal of the European Union*.

The Regulation contains detailed provisions on the initiation of investigations, access to information gathered and inspections by interested parties of such information, hearings for the interested parties involved and opportunities for those parties to submit their views. An investigation should precede the application of any safeguard measure, subject to the Commission being allowed to apply provisional safeguard measures in critical circumstances.

A safeguard measure shall remain in force only for such period of time as may be necessary to prevent or remedy serious injury to Union industry and to facilitate adjustment.

Anti-circumvention mechanism: the Regulation also provides for the possibility of suspending the preferential duties for a maximum period of 6 months when the imports of certain products reach the annual import volumes defined in the Agreement.

Implementation: implementing powers are conferred on the Commission in order to ensure uniform conditions for the adoption of provisional and definitive safeguard measures, for the imposition of prior surveillance measures, for the termination of an investigation without measures and for the implementation of the anti-circumvention mechanism provided for in the Agreement. The Commission will adopt immediately applicable implementing acts imposing provisional safeguard measures in duly justified cases, where imperative grounds of urgency so require.

Annual report: for reasons of transparency, the Commission will submit an annual report to the European Parliament and to the Council on the implementation of the Agreement and the application of the safeguard measures and the anti-circumvention mechanism.

The European Parliament may, within 1 month of submission of the Commission’s report, invite the Commission to an ad hoc meeting of its responsible committee to present and explain any issues related to the implementation of the Regulation.

ENTRY INTO FORCE: 24.3.2016.

EU/Euratom/Moldova Association Agreement: implementing the safeguard clause and anti-circumvention mechanism

2015/0079(COD) - 14/04/2015 - Legislative proposal

PURPOSE: to incorporate the anti-circumvention mechanism foreseen in the EU-Moldova Association Agreement into European Union law.

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 EU-Moldova Association Agreement was signed on 24 June 2014 and has been provisionally applied from 1 September 2014. This Agreement includes:

- a **bilateral safeguard clause which allows for the temporary suspension of** preferences in case their application would result in an unexpected and significant increase of imports causing economic damage to the domestic industry of the importing party. In concrete terms, this instrument makes it possible to either suspend the further tariff liberalization or reintroduce the most favoured nation (MFN) customs duty rate;
- a so-called **anti-circumvention mechanism**, which provides for the possibility to reintroduce the MFN customs duty rate when imports of certain agricultural goods from Moldova exceed a given threshold without due justification of their exact origin.

The Commission considered it necessary to lay down the procedures to guarantee the effective application of the safeguard clause and the anti-circumvention mechanism.

An implementing regulation of the European Parliament and of the Council is necessary to put in place in the EU's internal legislation the necessary instrument to be able to apply the bilateral safeguard clause and the anti-circumvention mechanism.

CONTENT: the proposal for a Regulation constitutes **the legal instrument for the implementation of the safeguard clause and the anti-circumvention mechanism** of the Agreement already concluded with the Republic of Moldova.

Safeguard measures: safeguard measures may be considered only if the product in question is imported into the Union in such increased quantities, in absolute terms or relative to Union production, and under such conditions as to cause, or threaten to cause, serious injury to Union producers of like or directly competing products. The maximum duration of safeguard measures is determined and specific provisions regarding extension and review of such measures are laid down.

Initiating an investigation: the tasks of following up and reviewing the Agreement, carrying out investigations and, if necessary, imposing safeguard measures should be carried out in the most transparent manner possible. The Commission should receive information including available evidence from the Member States of any trends in imports which might call for the application of safeguard measures. If there is sufficient prima facie evidence to justify the initiation of proceedings, the Commission should publish a notice in the Official Journal of the European Union.

Investigations: the proposal provides that there should be detailed provisions on the initiation of investigations, access to and inspections by interested parties of the information gathered, hearings for the interested parties involved and the opportunities for those parties to submit their views. It also sets time limits for the initiation of an investigation and for determinations as to whether or not safeguard measures are appropriate, with a view to ensuring that such determinations are made quickly, in order to increase legal certainty for the economic operators concerned. An investigation should precede the application of any safeguard measure.

Anti-circumvention mechanism: the proposed Regulation provides for the possibility to suspend the preferential customs duties for a maximum period of six months when the imports of certain agricultural products and processed agricultural products reach the annual import volumes defined in the Association Agreement.

Implementation: in order to ensure uniform conditions for the adoption of provisional and definitive safeguard measures, for the imposition of prior surveillance measures and for the termination of an investigation without measures provided for in the Agreement, implementing powers should be conferred on the Commission.

The Commission should adopt immediately applicable implementing acts where, in duly justified cases a delay in the imposition of provisional safeguard measures would cause damage which would be difficult to repair or in order to prevent a negative impact on the Union market as a result of an increase in imports.

EU/Euratom/Moldova Association Agreement: implementing the safeguard clause and anti-circumvention mechanism

2015/0079(COD) - 14/12/2015 - Committee report tabled for plenary, 1st reading/single reading

The Committee on International Trade adopted the report by Helmut SCHOLZ (GUE/NGL, DE) on the proposal for a regulation of the European Parliament and of the Council implementing the safeguard clause and the anti-circumvention mechanism providing for the temporary suspension of tariff preferences of the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and the Republic of Moldova, of the other part.

The committee recommended that the European Parliament's position, adopted at first reading under the ordinary legislative procedure, should amend the Commission proposal.

The proposed amendments seek to:

- spell-out the obligation of the EU to **hold consultations with the Moldovan authorities** before the imposition of a definitive safeguard measure in accordance with Article 160 of the Association Agreement between the EU and Moldovia. Where no satisfactory solution has been reached within 30 days, the Commission may adopt definitive safeguard measures;
- spell-out the reporting obligation of the Commission in more detail, so as to **expressly mention** the application of provisional and definitive safeguard measures and the application of the anti-circumvention mechanism.