

Basic information	
<p>2016/0308(COD)</p> <p>COD - Ordinary legislative procedure (ex-codecision procedure) Regulation</p>	Procedure completed
<p>Temporary autonomous trade measures for Ukraine</p> <p>See also 2013/0151A(NLE)</p> <p>Subject</p> <p>6.20.03 Bilateral economic and trade agreements and relations</p> <p>Geographical area</p> <p>Ukraine</p> <p>Legislative priorities</p> <p>EU support to Ukraine</p>	

Key players				
European Parliament	Committee responsible		Rapporteur	Appointed
	INTA International Trade		WAŁĘSA Jarosław (PPE)	12/10/2016
			Shadow rapporteur	
			ULVSKOG Marita (S&D)	
			PIECHA Bolesław G. (ECR)	
			VAN BAALEN Johannes Cornelis (ALDE)	
		SCHOLZ Helmut (GUE/NGL)		
		HAUTALA Heidi (Verts/ALE)		
		BEGHIN Tiziana (EFDD)		
	Committee for opinion		Rapporteur for opinion	Appointed
	BUDG Budgets		The committee decided not to give an opinion.	
	AGRI Agriculture and Rural Development		SIEKIERSKI Czesław Adam (PPE)	12/10/2016
Council of the European Union	Council configuration		Meetings	Date
	Foreign Affairs		3534	2017-05-11

	Agriculture and Fisheries	3556	2017-07-17
European Commission	Commission DG	Commissioner	
	Trade and Economic Security	MALMSTRÖM Cecilia	

Key events			
Date	Event	Reference	Summary
29/09/2016	Legislative proposal published	COM(2016)0631 	Summary
06/10/2016	Committee referral announced in Parliament, 1st reading		
04/05/2017	Vote in committee, 1st reading		
10/05/2017	Committee report tabled for plenary, 1st reading	A8-0193/2017	Summary
11/05/2017	Debate in Council		
31/05/2017	Debate in Parliament		
01/06/2017	Results of vote in Parliament		
01/06/2017	Decision by Parliament		
01/06/2017	Matter referred back to the committee responsible for interinstitutional negotiations		
20/06/2017	Approval in committee of the text agreed at 1st reading interinstitutional negotiations	PE606.135 GEDA/A/(2017)006538	
04/07/2017	Decision by Parliament, 1st reading	T8-0285/2017	Summary
04/07/2017	Results of vote in Parliament		
17/07/2017	Act adopted by Council after Parliament's 1st reading		
13/09/2017	Final act signed		
13/09/2017	End of procedure in Parliament		
30/09/2017	Final act published in Official Journal		

Technical information	
Procedure reference	2016/0308(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
Amendments and repeals	See also 2013/0151A(NLE)
Legal basis	Rules of Procedure EP 61 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/8/08026

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE592.280	21/12/2016	
Amendments tabled in committee		PE599.651	07/02/2017	
Amendments tabled in committee		PE599.550	13/02/2017	
Committee opinion	AGRI	PE595.439	14/03/2017	
Committee report tabled for plenary, 1st reading/single reading		A8-0193/2017	10/05/2017	Summary
Text adopted by Parliament, partial vote at 1st reading /single reading		T8-0236/2017	01/06/2017	Summary
Text agreed during interinstitutional negotiations		PE606.135	16/06/2017	
Text adopted by Parliament, 1st reading/single reading		T8-0285/2017	04/07/2017	Summary

Council of the EU

Document type	Reference	Date	Summary
Coreper letter confirming interinstitutional agreement	GEDA/A/(2017)006538	29/06/2017	
Draft final act	00033/2017/LEX	13/09/2017	

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2016)0631 	29/09/2016	Summary
Commission response to text adopted in plenary	SP(2017)538	06/09/2017	

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

[Regulation 2017/1566](#)
[OJ L 254 30.09.2017, p. 0001](#)

[Summary](#)

Temporary autonomous trade measures for Ukraine

2016/0308(COD) - 13/09/2017 - Final act

PURPOSE: to introduce temporary autonomous trade measures for Ukraine supplementing the trade concessions available under the Association Agreement.

LEGISLATIVE ACT: Regulation (EU) 2017/1566 of the European Parliament and of the Council on the introduction of temporary autonomous trade measures for Ukraine supplementing the trade concessions available under the Association Agreement.

CONTENT: in order to enhance the economic and political reform efforts undertaken by Ukraine, and to support and accelerate the development of closer economic relations with the Union, the Regulation **introduces new temporary autonomous trade measures for products of Ukraine origin** admitted to the European Union.

Preferential arrangements: autonomous trade measures shall take the form of the following preferential arrangements:

- zero-tariff quotas for the **agricultural products listed in Annexes I and II to this Regulation** in addition to the zero-tariff quotas set out in the Association Agreement;
- the full removal of import duties ('preferential customs duties') on **importation of the industrial products listed in Annex III to this Regulation**.

Conditions for entitlement to the preferential arrangements: Ukraine's entitlement to the zero-tariff quotas and preferential customs duties on importation shall be subject to:

- Ukraine's compliance with the **rules of origin** of products and the procedures related thereto;
- from 1 October 2017, the **abstention by Ukraine from introducing new duties or charges having equivalent effect and new quantitative restrictions or measures having equivalent effect** for imports originating in the Union, or from increasing existing levels of duties or charges or from introducing any other restrictions, including discriminatory internal administrative measures;
- **Ukraine's respect for democratic principles**, human rights and fundamental freedoms and respect for the principle of the rule of law as well as continued and sustained efforts with regard to the fight against corruption and illegal activities;
- Ukraine's continued compliance with obligations to cooperate on matters related to **employment, social policy and equal opportunities**.

Temporary suspension: the Regulation confers on the Commission implementing powers enabling it to temporarily suspend the preferential arrangements established by the Regulation and to introduce corrective measures where Union producers are likely to be seriously affected by imports under this Regulation.

Safeguard clause: subject to an investigation by the Commission, the Regulation provides for the reintroduction of Common Customs Tariff duties under the Association Agreement for imports of any product falling within the scope of the Regulation that causes or threatens to cause serious difficulties for Union producers of like or directly competing products.

The Commission shall take a formal decision to initiate an investigation within a reasonable period of time: (i) at the request of a Member State, or (ii) at the request of any legal person or any association that does not have legal personality, acting on behalf of the Union industry; (iii) or on the Commission's own initiative.

The Common Customs Tariff duties under the Association Agreement shall be reintroduced for **as long as necessary** to counteract the deterioration in the economic and/or financial situation of Union producers, or for as long as the threat of such deterioration persists. The period of reintroduction shall **not exceed one year**, unless it is extended in duly justified circumstances.

Assessment: the Commission's annual report on the implementation of the Deep and Comprehensive Free Trade Area shall include a detailed assessment of the implementation of the autonomous trade measures and, where appropriate, an assessment of the social impact of these measures in Ukraine and in the Union.

ENTRY INTO FORCE: 1.10.2017.

APPLICATION: the Regulation is applicable for a period of **three years** from 1.10.2017.

Temporary autonomous trade measures for Ukraine

2016/0308(COD) - 10/05/2017 - Committee report tabled for plenary, 1st reading/single reading

The Committee on International Trade adopted the report by Jarosław WAŁĘSA (EPP, PL) on the proposal for a regulation of the European Parliament and of the Council on the introduction of temporary autonomous trade measures for Ukraine supplementing the trade concessions available under the Association Agreement.

The committee recommended that the European Parliament's position adopted at first reading, following the ordinary legislative procedure, should amend the Commission proposal as follows:

Conditions for entitlement to the preferential arrangements: Members considered that the rules of origin and other conditions identified in the Agreement must be **met for all products**, not only agricultural products listed in Annexes I & II, but industrial products listed in Annex III as well. They stated that entitlement to benefit from the tariff-rate quotas and preferential customs duties on importation shall be subject to:

- as regards **products manufactured in, or shipped from, territory not under the effective control of the Government of Ukraine**, the submission of a movement certificate which shall be issued by the customs authorities of the Government of Ukraine, after having carried out an inspection of the exporter's accounts at the exporter's premises and any other checks considered appropriate, including assessing whether there are reasonable grounds to suspect that economic operators benefiting from the temporary autonomous trade measures are undermining the fight against corruption or are engaged in illegal economic activities;
- the abstention by Ukraine from introducing **discriminatory behind-the-border regulations**, from the day of the entry into force of this Regulation;
- the implementation of continued and sustained efforts with regard to the fight against **corruption** and illegal activities;
- continued respect for obligations to cooperate on matters related to **employment, social policy and equal opportunities**.

Temporary suspension of the preferential arrangements: where a Member State requests that the Commission suspend any of the preferential arrangements, the Commission shall provide a reasoned opinion within two months of such request on whether the claim of failure to comply is substantiated. Member States' position vis-à-vis the Commission should be strengthened.

Safeguard clause: Members deleted the requirement in safeguard proceedings to act by qualified majority. In addition, they proposed the following:

- the Commission shall closely monitor the impact of this Regulation on Union producers with regard to the products listed in Annex I and II, including with regard to prices on the Union market and taking into account relevant available information on Union producers;
- the **Union industry** shall be able to request the Commission to initiate a safeguard procedure;
- following a decision taken by the Commission, the Common Customs Tariff duties shall be **reintroduced for as long as necessary** to counteract the deterioration in the economic and/or financial situation of Union producers. The period of reintroduction shall not exceed one year, unless it is extended in duly justified circumstances.

Assessment: the Commission's annual report on the implementation of the Deep and Comprehensive Free Trade Agreement shall include a detailed assessment of the implementation of the temporary autonomous trade measures provided for in this Regulation.

Annexes: based on trade statistics that show that export capacity of Ukraine's industry in certain product groups (e.g. wheat, maize and tomatoes prepared) is already substantial, Members recommended not providing additional support.

Temporary autonomous trade measures for Ukraine

2016/0308(COD) - 01/06/2017 - Text adopted by Parliament, partial vote at 1st reading/single reading

The European Parliament adopted by 475 votes to 102, with 61 abstentions, **amendments** to the proposal for a regulation of the European Parliament and of the Council on the introduction of temporary autonomous trade measures for Ukraine supplementing the trade concessions available under the Association Agreement.

The issue was referred back to the committee responsible for interinstitutional negotiations.

The main amendments were as follows:

Conditions for entitlement to the preferential arrangements: Members considered that the rules of origin and other conditions identified in the Agreement must be met for **all products**, not only agricultural products listed in Annexes I & II, but industrial products listed in Annex III as well. They stated that entitlement to benefit from the tariff-rate quotas and preferential customs duties on importation shall be subject to:

- as regards **products manufactured in, or shipped from, territory not under the effective control of the Government of Ukraine**, the submission of a movement certificate which shall be issued by the customs authorities of the Government of Ukraine, after having carried out an inspection of the exporter's accounts at the exporter's premises and any other checks considered appropriate, including assessing whether there are reasonable grounds to suspect that economic operators benefiting from the temporary autonomous trade measures are undermining the fight against corruption or are engaged in illegal economic activities;
- the abstention by Ukraine from introducing discriminatory internal administrative measures, from the day of the entry into force of this Regulation;
- the implementation of continued and sustained efforts with regard to the fight against **corruption** and illegal activities;
- continued respect for obligations to cooperate on matters related to **employment, social policy and equal opportunities**.

Temporary suspension of the preferential arrangements: where a Member State requests that the Commission suspend any of the preferential arrangements, the Commission shall provide a reasoned opinion within two months of such request on whether the claim of failure to comply is substantiated.

In general, it is appropriate to introduce the possibility to temporarily suspend the preferences in the case of failure by Ukraine to respect the general principles of the Association Agreement (respect for democratic principles, human rights, and fundamental freedoms and the principle of the **rule of law, as well as efforts to combat corruption and organised crime, and measures to promote sustainable development and effective multilateralism**), as has been done in other association agreements signed by the Union.

Safeguard clause: Members deleted the requirement in safeguard proceedings to act by qualified majority. In addition, they proposed the following:

- the Commission shall closely monitor the impact of this Regulation on Union producers with regard to the products listed in Annex I and II, including with regard to prices on the Union market and taking into account relevant available information on Union producers;
- any legal person or any association not having legal personality, acting on behalf of Union industry, shall be able to request the Commission to initiate a safeguard procedure;
- following a decision taken by the Commission, the Common Customs Tariff duties shall be reintroduced for as long as necessary to counteract the deterioration in the economic and/or financial situation of Union producers. The period of reintroduction shall not exceed one year, unless it is extended in duly justified circumstances.

Assessment: the Commission's annual report on the implementation of the Deep and Comprehensive Free Trade Agreement shall include a detailed assessment of the implementation of the temporary autonomous trade measures provided for in this Regulation.

Annexes: based on trade statistics that show that export capacity of Ukraine's industry in certain product groups (e.g. tomatoes prepared or preserved otherwise than by vinegar or acetic acid, wheat, flour, urea) is already substantial, Members recommended not providing additional support.

Temporary autonomous trade measures for Ukraine

2016/0308(COD) - 29/09/2016 - Legislative proposal

PURPOSE: to introduce temporary autonomous trade measures for Ukraine supplementing the trade concessions available under the Association Agreement.

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 Association Agreement between the European Union and the European Atomic Energy Community and their Member States of the one part and Ukraine, of the other part constitutes the basis of the relationship between the Union and Ukraine.

Title IV on trade and trade-related matters is provisionally applied since 1 January 2016. In its preamble, the Parties to the Association Agreement have expressed their desire to strengthen and widen relations in an ambitious and innovative way.

Taking account of the **economic reform efforts undertaken by Ukraine**, and in order to support the development of closer economic relations with the European Union, the measure aims at **increasing the trade flows** concerning the import of certain agricultural products and to **grant concessions** in the form of autonomous trade measures in selected industrial products in line with the acceleration of the elimination of customs duties on trade between the European Union and Ukraine.

CONTENT: in order to increase the existing trade flows concerning the import of certain agricultural products from Ukraine into the Union, and to foster bilateral trade and economic cooperation with the Union, it is appropriate to grant additional autonomous trade preferences for Ukraine.

The autonomous trade measures would be granted in the form of **zero-tariff quotas for certain agricultural products** in addition to the preferential tariff-rate quotas set out in the Agreement, and the **partial or full removal of import duties on several industrial products**.

In order to increase the existing trade flows concerning the import of certain agricultural products from Ukraine into the Union, and to foster bilateral trade and economic cooperation with the Union, it is appropriate to grant additional autonomous trade preferences for Ukraine.

The new autonomous measures would respect the same basic principles as those enshrined in the Association Agreement between the EU and Ukraine. Entitlement to benefit from the tariff-rate quotas shall be subject to:

- compliance with the **rules of origin** of products and the procedures related thereto;
- abstention by Ukraine from introducing **new duties or charges** having equivalent effect and new quantitative restrictions or measures having equivalent effect for imports originating in the Union or from increasing existing levels of duties or charges or from introducing any other restrictions from the day of the entry into force of this Regulation;
- respect for **democratic principles**, human rights and fundamental freedoms and respect for the principle of the rule of law provided for in the Association Agreement.

Normal safeguard procedures apply.

The proposal confers implementing powers on the Commission enabling it to **temporarily suspend** the preferential arrangements established by this Regulation and to introduce corrective measures in cases where the Union market is affected by this Regulation.

BUDGETARY IMPLICATIONS: the European Union will see a **loss of customs revenue corresponding to less than EUR 50 million annually** with very limited impact on the EU's own resources. The value of duties foregone on the importation of industrial products will count for approximately 20% of the total.

Temporary autonomous trade measures for Ukraine

The European Parliament adopted by 566 votes to 96, with 28 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council on the introduction of temporary autonomous trade measures for Ukraine supplementing the trade concessions available under the Association Agreement.

The position of the European Parliament adopted at first reading following the ordinary legislative procedure amended the Commission proposal as follows:

Conditions for entitlement to the preferential arrangements: the amended text clarifies that the right to benefit from the autonomous trade measures introduced by the regulation should be subject to **compliance by Ukraine with all the conditions necessary** to benefit from the advantages provided for in the Association Agreement.

Thus, the granting of the duty-free quota and preferential customs duties on imports would be subject to:

- **Ukraine's compliance with product rules of origin and related procedures:** The trade measures would apply to goods originating in territories beyond the control of, or exported from, the Ukrainian Government (i) if they have been made available to the Ukrainian authorities for examination, and (ii) if their compliance with the conditions for granting preferential treatment has been verified in accordance with the Association Agreement;
- as regards products manufactured in, or shipped from, territory not under the effective control of the Government of Ukraine, the submission of a movement certificate which shall be issued by the customs authorities of the Government of Ukraine, after having carried out an inspection of the exporter's accounts at the exporter's premises and any other checks considered appropriate, including assessing whether there are reasonable grounds to suspect that economic operators benefiting from the temporary autonomous trade measures are undermining the fight against corruption or are engaged in illegal economic activities;
- the undertaking by Ukraine to not introduce **discriminatory behind-the-border regulations**, from the day of the entry into force of this regulation;
- the implementation of continued and sustained efforts with regard to the fight against **corruption** and illegal activities;
- continued respect for obligations to cooperate on matters related to **employment, social policy and equal opportunities**.

Temporary suspension of the preferential arrangements: where a Member State requests that the Commission suspend any of the preferential arrangements, the Commission shall provide a reasoned opinion within four months of such request on whether the claim of failure to comply is substantiated. Member States' position vis-à-vis the Commission should be strengthened. If the Commission considers the claim to be justified, it should set in motion the suspension procedure.

Safeguard clause: the proposed regulation provides for the reintroduction of Common Customs Tariff duties under the Association Agreement for imports of any product which causes or threatens to cause serious difficulties for EU producers of like or directly competitive products.

In addition, it is envisaged that:

- the Commission shall closely monitor the impact of this regulation on EU producers with regard to the products listed in Annexes I and II, including with regard to prices on the EU market and taking into account relevant information on EU exports, imports and production of products that are subject to autonomous trade measures envisaged in the regulation;
- the **EU industry** shall be able to request the Commission to initiate a safeguard procedure;
- following a decision taken by the Commission, the Common Customs Tariff duties shall be **reintroduced for as long as necessary** to counteract the deterioration in the economic and/or financial situation of Union producers. The period of reintroduction shall not exceed one year, unless it is extended in duly justified circumstances.

Assessment: the Commission's annual report on the implementation of the Deep and Comprehensive Free Trade Agreement shall include a detailed assessment of the implementation of the temporary autonomous trade measures provided for in this regulation.

Annexes: the annual quota volume would be 2 500 tonnes net weight of natural honey and 3 000 tonnes net weight of tomatoes prepared or preserved otherwise than by vinegar or acetic acid.

For specific agricultural products, the annual quota volume would be 65 000 tonnes of common wheat, spelt and meslin, flour, groats, meal and pellets, 625 000 tonnes of maize and 325 000 tonnes of barley.