Basic information

2018/0417(CNS) CNS - Consultation procedure Decision	Procedure completed
Products eligible for exemption from or a reduction in dock dues **Subject** 2.70.02 Indirect taxation, VAT, excise duties 4.70.06 Outlying and outermost regions, overseas countries and territories	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
REGI Regional Development	MIHAYLOVA Iskra (ALDE)	22/01/2019
	Shadow rapporteur PONGA Maurice (PPE)	

Council of the European Union

Council configuration	Meetings	Date
Agriculture and Fisheries	3686	2019-04-15

European Commission

Commission DG	Commissioner
Taxation and Customs Union	MOSCOVICI Pierre

Key events

Date	Event	Reference	Summary
13/12/2018	Legislative proposal published	COM(2018)0825	Summary
30/01/2019	Committee referral announced in Parliament		
20/02/2019	Vote in committee		
28/02/2019	Committee report tabled for plenary, 1st reading/single reading	A8-0112/2019	Summary
27/03/2019	Decision by Parliament	T8-0297/2019	Summary
27/03/2019	Results of vote in Parliament		
15/04/2019	Act adopted by Council after consultation of Parliament		
15/04/2019	End of procedure in Parliament		

26/04/2019	Final act published in Official Journal		

Technical information

Procedure reference	2018/0417(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Decision
Legal basis	Treaty on the Functioning of the European Union TFEU 349-p1sub1-as1
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	REGI/8/15222

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE633.050	22/01/2019	
Committee report tabled for plenary, 1st reading/single reading		A8-0112/2019	28/02/2019	Summary
Text adopted by Parliament, 1st reading/single reading		T8-0297/2019	27/03/2019	Summary

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2018)0825	13/12/2018	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Decision 2019/0664
OJ L 112 26.04.2019, p. 0021 Summary

Products eligible for exemption from or a reduction in dock dues

2018/0417(CNS) - 13/12/2018 - Legislative proposal

PURPOSE: to allow a greater number of local products to benefit from tax exemptions or reductions in the outermost regions of the EU of Guadeloupe, French Guiana, Martinique and Réunion.

PROPOSED ACT: Council Directive.

ROLE OF THE EUROPEAN PARLIAMENT: the Council adopts the act after consulting the European Parliament but without being obliged to follow its opinion.

BACKGROUND: the dock dues tax is an indirect tax in force only in the French outermost regions of Martinique, Guadeloupe, French Guiana, Réunion and Mayotte.

EU law does not in principle authorise any difference in the French outermost regions between the taxation of local products and the taxation of products from metropolitan France, the other Member States or non-member countries. However, Article 349 TFEU envisages the possibility of introducing specific measures for those regions because of the existence of permanent handicaps affecting the economic and social situation of the outermost regions. Such measures concern various policies, including taxation.

Council Decision No 940/2014/EU thus authorises France to provide for exemptions or reductions in dock dues for certain products manufactured in the French overseas departments from 1 July 2015 to 31 December 2020.

On 12 February 2018, the French authorities sent the Commission a report on the application of the tax arrangement provided for in that decision. On the basis of the report from the French authorities, the Commission submitted a proposal to adapt that decision.

The proposed measures aim to encourage economic activity and maintain the competitiveness of local products in the French outermost regions. The Commission considers that adapting the list of products to which differentiated taxation may be applied is the only way of ensuring the maintenance and development of local production activities in these outermost regions.

CONTENT: The proposal consists of the **inclusion of new products** on the list in the Annex to Decision No 940/2014/EU and an **increase, for certain products, of the authorised tax differential**. The planned adaptations concern Martinique, Guadeloupe, French Guiana and Réunion.

The products for which the French authorities requested inclusion or reclassification on lists represent declared local production of EUR 225 million in 2016 and imports roughly equivalent to EUR 212 million. The categories represented by these products are very diverse.

For each of these products, the Commission checked the justification for differentiated taxation and whether it was proportionate by ensuring that differentiated taxation did not undermine the integrity and coherence of the EU legal order, including the internal market and common policies.

With regard to local products occupying almost the entire market so that the share of ‘imported’ products is very low, the Commission satisfied itself that there was an imminent and grave risk to local production.

In addition to the immediate adaptation of the lists, a comprehensive review of the Decision, applying ‘better regulation’ tools, will be carried out when the arrangements are renewed. Work on this will start at the beginning of 2019.

Products eligible for exemption from or a reduction in dock dues

2018/0417(CNS) - 27/03/2019 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 567 votes to 15 with 87 abstentions, following a special legislative procedure (consultation), a legislative resolution on the proposal for a Council decision amending Decision 940/2014/EU as regards products eligible for exemption from or a reduction in dock dues.

Parliament approved the Commission's proposal without amendments.

The purpose of the proposal to amend Council Decision No 940/2014/EU on dock dues in the French outermost regions is to adapt the list of products eligible for a tax differential, in order to reflect the latest changes in local economies since the adoption of the Decision.

Products eligible for exemption from or a reduction in dock dues

2018/0417(CNS) - 28/02/2019 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Regional Development adopted, following the consultation procedure, the report by Iskra MIHAYLOVA (ALDE, BG) on the proposal for a Council decision amending Decision No 940/2014/EU as regards products eligible for exemption from or a reduction in dock dues.

The committee recommended that the European Parliament approve the Commission's proposal without amendments.

The purpose of this proposal for amending Council Decision No 940/2014/EU on dock dues in the French outermost regions is to adapt the list of products eligible for a tax differential to reflect the latest changes in local economies since the adoption of the Decision.

The Commission proposes these amendments on the basis of the request submitted by the French authorities on 15 March 2018. This measure is justifiable and intends to continue to stimulate economic activity and competitiveness in the outermost regions, while not undermining the coherence of the internal market and of the EU legal order.

Products eligible for exemption from or a reduction in dock dues

2018/0417(CNS) - 26/04/2019 - Final act

PURPOSE: to allow a greater number of local products to benefit from tax exemptions or reductions in the outermost regions of the EU of Guadeloupe, French Guiana, Martinique and Réunion.

LEGISLATIVE ACT: Council Decision (EU) 2019/664 amending Decision No 940/2014/EU as regards products eligible for exemption from or a reduction in dock dues.

CONTENT: the purpose of this Decision amending Council Decision No 940/2014/EU on dock dues in the French outermost regions is to adapt the list of products eligible for a tax differential to reflect the latest changes in local economies since the Decision was adopted.

The objective of the dock dues tax system is to compensate for the handicaps suffered by these territories (remoteness, dependence on raw materials and energy, small market size and underdeveloped export activity), to support their socio-economic development and to restore competitiveness to local companies by offsetting part of the additional production costs incurred by local production in the French outermost regions.

The amendments are adopted on the basis of the request submitted by the French authorities on 15 March 2018. The products for which the French authorities requested inclusion or reclassification on lists represent declared local production of EUR 225 million in 2016 and imports roughly equivalent to EUR 212 million. The categories represented by these products are very diverse.

The proposed measure aims to encourage economic activity and maintain the competitiveness of local products in the French outermost regions, while not undermining the coherence of the internal market and the legal order of the European Union.

ENTRY INTO FORCE: 29.4.2019.