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EUROPEAN COMMISSION

Brussels, 29.1.2010  
COM(2010)14 final

2010/0007 (NLE)

Proposal for a

**COUNCIL DECISION**

**on a Union position within the EU - Mexico Joint Committee relating to Annex III to Decision No 2/2000 of the EU-Mexico Joint Council concerning the definition of the concept of 'originating products' and methods of administrative cooperation**

## EXPLANATORY MEMORANDUM

### 1. CONTEXT OF THE PROPOSAL

- **Grounds for and objectives of the proposal**

The Economic Partnership, Political Coordination and Cooperation Agreement between the European Community and its Member States, of the one part, and the United Mexican States, of the other part, was signed in Brussels on 8 December 1997. The trade liberalisation provisions were laid down in Decision No 2/2000 of the EU-Mexico Joint Council established by the Agreement (hereinafter "Decision No 2/2000").

Annex III to Decision No 2/2000 of the EU-Mexico Joint Council, concerning the definition of the concept of 'originating products' and methods of administrative cooperation, sets out the rules of origin for the products originating in the territory of the Parties to the Agreement.

Mexico and the Union have agreed to introduce certain amendments to the rules of origin contained in Annex III to Decision No 2/2000.

- **General context**

Some of the rules of origin contained in Annex III to Decision No 2/2000 were originally agreed on a temporary basis and require regular monitoring. This is the case in particular for the special rules applying to certain chemical products of HS (Harmonized System) headings 2914 and 2915 (OJ L 245, 29.9.2000, p.1058.).

The temporary derogation for chemical products was initially agreed until 30 June 2003. This period was subsequently extended until 30 June 2006 and until 30 June 2009. It is now proposed to extend the period of application of these special rules for another five years, i.e. until 30 June 2014.

- **Existing provisions in the area of the proposal**

There are no existing provisions in the area of the proposal.

- **Consistency with the other policies and objectives of the Union**

Not applicable.

### 2. CONSULTATION OF INTERESTED PARTIES AND IMPACT ASSESSMENT

- **Consultation of interested parties**

Not relevant.

This proposal introduces amendments to a previous text.

- **Collection and use of expertise**

There was no need for external expertise.

- **Impact assessment**

Not relevant. This proposal introduces amendments to an existing bilateral trade agreement. There are no other options to be considered.

Not relevant. For the reasons given above there are no other options to be considered.

### **3. LEGAL ELEMENTS OF THE PROPOSAL**

- **Summary of the proposed action**

The Council is asked to adopt a Union position on a draft Decision of the European Union - Mexico Joint Committee introducing amendments to the rules of origin contained in Annex III to Decision No 2/2000 of the EU-Mexico Joint Council, concerning the definition of the concept of 'originating products' and methods of administrative cooperation.

- **Legal basis**

Article 207(4) first subparagraph of the Treaty on the Functioning of the European Union in conjunction of Article 218(9) thereof.

- **Subsidiary principle**

The proposal falls under the exclusive competence of the Union. The subsidiarity principle therefore does not apply.

- **Proportionality principle**

The proposal complies with the proportionality principle for the following reason(s).

Not relevant.

- **Choice of instruments**

Proposed instruments: other.

Other means would not be adequate for the following reason(s).

Decision of the EU - Mexico Joint Committee.

### **4. BUDGETARY IMPLICATION**

The proposal has no implication for the Union budget.

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 207(4) first subparagraph, in conjunction with Article 218(9) thereof,

Having regard to the proposal from the Commission,

Whereas:

- (1) Joint Declaration V<sup>1</sup> to Decision No 2/2000 of the EU - Mexico Joint Council<sup>2</sup> established by the Economic Partnership, Political Coordination and Cooperation Agreement between the European Community and its Member States, of the one part, and the United Mexican States, of the other part, signed in Brussels on 8 December 1997<sup>3</sup> (hereinafter "Decision 2/2000") provides that the EU – Mexico Joint Committee established by that agreement is to review the necessity to extend beyond 30 June 2003 the application of the rules of origin set out in Notes 2 and 3 of Appendix II(a) to Annex III to Decision 2/2000.
- (2) On 22 March 2004 and on 14 June 2007 the Joint Committee adopted Decisions No 1/2004<sup>4</sup> and 1/2007<sup>5</sup> extending the application of the rules of origin established in those Notes until 30 June 2006 and 30 June 2009, respectively.
- (3) In accordance with the analysis of the relevant economic conditions undertaken according to Joint declaration V, it is considered appropriate to extend once again, on a temporary basis, the application of the rules of origin established in Notes 2 and 3 of Appendix II(a) to Annex III to Decision 2/2000, thereby ensuring the continuity of application of the mutual advantages provided under that Decision.

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<sup>1</sup> OJ L 245, 29.9.2000, p.1167.

<sup>2</sup> OJ L 157, 30.6.2000, p.10 and OJ L 245, 29.9.2000, p. 1 (Annexes).

<sup>3</sup> OJ L 276, 28.10.2000, p. 45.

<sup>4</sup> OJ L 113, 20.4.2004, p.60.

<sup>5</sup> OJ L 279, 23.10.2007, p.15.

- (4) An extension of the application of the rules of origin established in Notes 2 and 3 of Appendix II(a) to Annex III to Decision 2/2000 granted by Decision 1/2007 of the Joint Committee expired on 30 June 2009, therefore in order not to introduce disruption in existing economic conditions it is considered appropriate to apply the proposed decision for a new extension retrospectively, from 1 July 2009.

HAS ADOPTED THIS DECISION:

*Article 1*

The position relating to Annex III to Decision 2/2000 to be adopted by the Union within the EU-Mexico Joint Committee is that set out in the attached draft decision of the Joint Committee.

*Article 2*

The decision of the Joint Committee shall be published in the *Official Journal of the European Union*.

Done at Brussels,

*For the Council  
The President*

**ANNEX**

Proposal for a

**DECISION OF THE EU - MEXICO JOINT COMMITTEE**

**No..../2009**

**of**

**relating to Annex III to Decision No 2/2000 of the EU- Mexico Joint Council of 23 March 2000 concerning the definition of the concept of originating products and methods of administrative cooperation**

THE JOINT COMMITTEE,

Having regard to Decision No 2/2000 of the EU- Mexico Joint Council of 23 March 2000 (hereinafter "Decision No 2/2000"), and in particular Notes 2 and 3 of Appendix II(a) to Annex III concerning the definition of the concept of originating products and methods of administrative cooperation and Joint Declaration V thereto,

Whereas:

- (1) Annex III to Decision No 2/2000 sets out the rules of origin for the products originating in the territory of the Parties to the Agreement.
- (2) According to Joint Declaration V, the Joint Committee shall review the necessity to extend beyond 30 June 2003 the application of the rules of origin established in Notes 2 and 3 of Appendix II(a) to Annex III to Decision No 2/2000, if the economic conditions which formed the basis for establishing the rule set out in those Notes continue. On 22 March 2004 and on 14 June 2007 the EU Mexico Joint Committee adopted Decisions No 1/2004 and 1/2007 extending the application of the rules of origin established in Notes 2 and 3 of Appendix II(a) to Annex III to Decision No 2/2000 until 30 June 2006 and 30 June 2009, respectively.
- (3) In accordance with the analysis of the relevant economic conditions undertaken according to Joint Declaration V, it is considered appropriate, in order to ensure the continuity of application of the mutual advantages provided under Decision no 2/2000, to extend on a temporary basis, the application of the rules of origin established in Notes 2 and 3 of Appendix II(a) to Annex III to Decision No 2/2000.

HAS DECIDED AS FOLLOWS:

*Article 1*

The rules of origin set out in Notes 2 and 3 of Appendix II(a) to Annex III to Decision No 2/2000, shall be applied until 30 June 2014 instead of the rules of origin set out in Appendix II to Annex III to Decision No 2/2000.

*Article 2*

This Decision shall enter into force on the date the Parties exchange written notifications certifying the completion of their respective legal procedures.

Article 1 shall apply from 1 July 2009.

Done at Brussels,

*For the Joint Committee  
The President*



**LEGISLATIVE FINANCIAL STATEMENT FOR PROPOSALS HAVING A BUDGETARY IMPACT EXCLUSIVELY LIMITED TO THE REVENUE SIDE**

**1. NAME OF THE PROPOSAL:**

Decision of the European Union – Mexico Joint Committee relating Annex III to Decision n° 2/2000 of the EU-Mexico Joint Council of 23 March 2000, concerning the definition of the concept of "originating products" and methods of administrative cooperation.

**2. BUDGET LINES:**

Chapter and Article:

Amount budgeted for the year concerned:

**3. FINANCIAL IMPACT**

- Proposal has no financial implications
- Proposal has no financial impact on expenditure but has a financial impact on revenue – the effect is as follows:

(€million to one decimal place)

Budget line	Revenue <sup>6</sup>	12 month period, starting dd/mm/yyyy	[Year n]
Article ...	<i>Impact on own resources</i>		
Article ...	<i>Impact on own resources</i>		

Situation following action					
	[n+1]	[n+2]	[n+3]	[n+4]	[n+5]

<sup>6</sup> Regarding traditional own resources (agricultural duties, sugar levies, customs duties) the amounts indicated must be net amounts, i.e. gross amounts after deduction of 25 % of collection costs

Article ...					
Article ...					