

EN

EN

EN



EUROPEAN COMMISSION

Brussels, 28.4.2011  
COM(2011) 231 final

2011/0099 (NLE)

Proposal for a

**COUNCIL REGULATION**

**amending Annex I to Regulation (EEC) No 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff**

## EXPLANATORY MEMORANDUM

### **1. CONTEXT OF THE PROPOSAL**

The aim of this draft Council Regulation is to prolong the autonomous duty suspension for certain types of monitors for which customs duties were autonomously suspended until 31 December 2010.

Council Regulation (EC) No 179/2009 of 5 March 2009 amending Annex I to Regulation (EEC) No 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff, for a limited period of time, autonomously suspended the conventional rate of duty in the Common Customs Tariff for certain black and white monitors of subheading 8528 59 10<sup>1</sup> and for certain colour monitors of subheading 8528 59 90<sup>2</sup>. This measure expired on 31 December 2010.

European industry represented by DigitalEurope requested that the above duty suspension is prolonged.

The convergence of IT and consumer electronics has led to a situation where many monitors may be used in automatic data processing systems as well as in conjunction with different consumer electronic devices such as DVD players, video game machines, car entertainment systems.

Considering the interest expressed by European industry in a prolongation of the duty suspension and having taken into account consumer interests, it is in the interest of the Union to prolong the autonomous duty suspension for certain types of monitors until 30 June 2011, and to amend Annex I to Council Regulation (EEC) 2658/87 accordingly.

Furthermore, in order to avoid a gap in the granting of the suspension, it is proposed that this Council Regulation has retroactive effect as from 1 January 2011.

The proposal is in line with the Union's external trade and industry policies.

In view of the above, it is proposed that the Commission forward to the Council this proposal to prolong the current autonomous duty suspension, and that the Annex I to Council Regulation (EEC) No 2658/87 be amended accordingly.

### **2. RESULTS OF CONSULTATIONS WITH THE INTERESTED PARTIES AND IMPACT ASSESSMENTS**

The Economic Tariff Questions Group of the Customs Code Committee was consulted on 17 December 2010.

---

<sup>1</sup> Black and white or other monochrome monitors, using liquid crystal display technology with either digital visual interface or a video graphics array connector or both with a diagonal measurement of the screen not exceeding 77,50 cm (i.e. 30.5 inches), with an aspect ratio of 1:1, 4:3, 5:4 or 16:10, with a pixel resolution exceeding 1,92 mega pixels, and with a dot pitch not exceeding 0,3 mm.

<sup>2</sup> Colour monitors, using liquid crystal display technology, with a diagonal measurement of the screen not exceeding 55,9 cm (i.e. 22 inches), with an aspect ratio of 1:1, 4:3, 5:4 or 16:10.

The tariff and statistical nomenclature section of the Customs Code Committee was consulted on 9 February 2011.

European industry represented by DigitalEurope was in favour of a prolongation.

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

The legal basis of this regulation proposal is Article 31 and 32 of the Treaty on the Functioning of the European Union.

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

The proposal complies with the proportionality principle given that, as foreseen in the Treaty, it promotes trade between Member States and third countries and balances the commercial interest of economic operators (manufacturers in the Union and importers) without changing the EU WTO schedule.

By virtue of Article 31 of the Treaty on the Functioning of the European Union autonomous tariff suspensions and quotas are fixed by the Council acting by qualified majority on the basis of a Commission proposal.

### **4. BUDGETARY IMPLICATION**

Uncollected customs duties in the range of 45.17 MEURO (based on the import figures of 2009).

### **5. OPTIONAL ELEMENTS**

As the proposed regulation would expire by 30 June 2011, its speedy adoption is recommended.

Proposal for a

**COUNCIL REGULATION**

**of [...]**

**amending Annex I to Regulation (EEC) No 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 31 thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) Council Regulation (EC) No 179/2009 of 5 March 2009 amending Annex I to Regulation (EEC) No 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff<sup>3</sup> suspended totally, for a period of two years, the autonomous Common Customs Tariff duties for certain black and white or other monochrome, and certain colour monitors using liquid crystal display technology and falling under CN codes 8528 59 10 and 8528 59 90.
- (2) On economic and industrial policy grounds, it is in the interest of the Union to prolong the autonomous duty suspension provided for in Regulation (EC) No 179/2009 for a period of six months starting from 1 January 2011.
- (3) Following a restructuring of heading 8528 of the Combined Nomenclature, the monitors in question are covered now by CN codes 8528 59 10 and 8528 59 40. The tariff suspensions provided for in this Regulation should therefore concern those CN codes.
- (4) Council Regulation (EEC) No 2658/87<sup>4</sup> should therefore be amended accordingly.
- (5) The suspensions provided for in this Regulation are a prolongation of the suspensions granted by Regulation (EC) No 179/2009 that expired on 31 December 2010. Since it is not in the interest of the Union that there be any interruption of the tariff treatment of the monitors covered by the suspension, this Regulation should apply from 1 January 2011,

---

<sup>3</sup> OJ L 63, 7.3.2009, p. 1.

<sup>4</sup> OJ L 256, 7.9.1987, p. 1.

HAS ADOPTED THIS REGULATION:

*Article 1*

Part Two, Section XVI, Chapter 85 of Annex I to Regulation (EEC) No 2658/87 is amended as follows:

(1). the text in column 3 for CN code 8528 59 10 is replaced by the following:

'14 (\*)

---

(\*) Customs duty autonomously suspended until 30 June 2011 for black and white or other monochrome monitors, using liquid crystal display technology, equipped with either digital visual interface (DVI) or a video graphics array (VGA) connector or both with a diagonal measurement of the screen not exceeding 77,50 cm (i.e. 30.5 inches), with an aspect ratio of 1:1, 4:3, 5:4 or 16:10, with a pixel resolution exceeding 1,92 mega pixels, and with a dot pitch not exceeding 0,3 mm. (TARIC code 8528 59 10 10)';

(2). the text in column 3 for CN code 8528 59 40 is replaced by the following:

'14 (\*)

---

(\*) Customs duty autonomously suspended until 30 June 2011 for colour monitors, using liquid crystal display technology, with a diagonal measurement of the screen not exceeding 55,9 cm (i.e. 22 inches), with an aspect ratio of 1:1, 4:3, 5:4 or 16:10. (TARIC code 8528 59 40 40)';

*Article 2*

This Regulation shall enter into force on the day of its publication in the *Official Journal of the European Union*.

It shall apply from 1 January 2011.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

*For the Council*  
*The President*

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

**1. NAME OF THE PROPOSAL:**

Proposal for a Council Regulation amending Annex I to Regulation (EEC) No 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff

**2. BUDGET LINES:**

Chapter and Article: Chapter 12, Article 120

Amount budgeted for the year concerned: EUR 16 653 700 000 (B2011)

**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:

On the basis of the imports realised in 2009, the maximum loss of revenue has been estimated to 45.17 MEURO.

(€million to one decimal place)

| Budget line | Revenue <sup>5</sup>           | 6 month period, starting dd/mm/aaaa | [Year: First semester of 2011] |
|-------------|--------------------------------|-------------------------------------|--------------------------------|
| Article 120 | <i>Impact on own resources</i> | 01/01/2011                          | 45 166 000                     |

**4. ANTI-FRAUD MEASURES**

Application of the normal measures under the Community Customs Code.

**5. OTHER REMARKS**

The following method of calculation was used:

Data on the value of imports of monitors under TARIC codes 8528 59 10 10 and 8528 59 90 40 have been extracted for the year 2009 (complete data for 2010 were not available at that time). The corresponding duty rate (14%) has been applied to the

---

<sup>5</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

value extracted in order to obtain the loss of duties on the imports for these codes. Finally, the amount of the collection costs (25%) has been deduced to obtain the final amount of loss of own resources for the year 2009. It is assumed that the trade volume in the products concerned will remain unchanged for the period under consideration in the present proposal for an autonomous duty suspension.

€m 860.30 (import value) \* 0,14 = €m 120.44 (gross value)\* 0,75 = €m 90.33 (net value per year) \* 0,5 = €45.17 (net value 6 month period)

The loss of revenue in Traditional Own Resources shall be compensated by Member States contributions based on the GNI.