



COMMISSION OF THE EUROPEAN COMMUNITIES

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Proposal for a

COUNCIL REGULATION

introducing exceptional trade measures for countries and territories participating in or linked to the European Union's Stabilisation and Association process, amending Regulation (EC) No 2820/98, and repealing Regulations (EC) Nos 1763/1999 and 6/2000

(presented by the Commission)

EXPLANATORY MEMORANDUM

1. The current EC trade regime with the Western Balkan countries already contains unilateral trade preferences on an autonomous basis for Bosnia and Herzegovina and Croatia¹, for Albania² and, on the basis of a Co-operation Agreement, for the former Yugoslav Republic of Macedonia³. These preferences are similar in nature and substance to those in the 1980 Co-operation Agreement between the European Economic Community and the Socialist Federal Republic of Yugoslavia which was renounced by the Council in 1991. They provide for duty-free access to the EC for more than 80% of the imports from these countries.

Despite this high degree of duty-free access to the EC market, several important industrial products are still governed by tariff ceilings and only limited concessions have been made so far for agricultural products where many products are subject to tariff quotas.

Trade promotion and co-operation is a core action of the EU both within the EU Stabilisation and Association process and the Stability Pact for South-Eastern Europe. The EC is by far the most important trading partner for the region. Although current trade volumes are modest, the EC's position means that changes to its trade policy vis-à-vis the region have some potential to increase the economic activity and trade in the Western Balkans in the medium term. Further opening of the EC market for products from these countries could promote much needed foreign direct investment, help these countries to develop their generally low export capacities and, above all, contribute to political and economic stabilisation in the region. The economies of the Western Balkans are relatively small and weak and given the very low level of imports from the Western Balkan countries (0.6% of total imports), it is unlikely that further trade liberalisation would have a negative impact on the EU.

2. The Lisbon European Council of 23/24 March 2000 stated that Stabilisation and Association Agreements with Western Balkan countries, which involve the establishment of Free Trade Areas "should be preceded by asymmetrical trade liberalisation". As part of the Stabilisation and Association process the Commission proposes to further improve the existing autonomous trade preferences, which will be

¹ Council Regulation (EC) No 6/2000 of 17.12.1999 (OJ L 2, 5.1.2000); applies since 1.1.2000 until 31.12.2001. Renewed and up-graded version of the old trade regime inherited from the former (renounced) 1980 Co-operation Agreement EEC/SFRY and granted on an autonomous basis since, late 1991, to all former Yugoslav Republics. This Regulation also contains wine concessions, which equally apply to Slovenia and the former Yugoslav Republic of Macedonia, pending the conclusion of specific wine agreements with these countries. The Federal Republic of Yugoslavia was temporarily included in the regime (9.5.97-31.12.1997) but is currently excluded due to non-compliance with the relevant conditions (mainly respect for democratic principles).

² Council Regulation (EC) No 1763/1999 of 29.7.1999 (OJ L 211, 11.8.1999); applies since 1.10.1999 until 31.12.2001. These trade preferences complement the 1992 Trade and Co-operation Agreement between the EC and Albania (only MFN treatment) and ensured similar treatment of Albania like other Western Balkan countries. A textile agreement had been previously in place.

³ Applying since 1.1.1998. Prior to this, the former Yugoslav Republic of Macedonia benefited from the autonomous trade preferences with former Yugoslav Republics and still does for wine (cf. footnote 1). In parallel, a textile agreement is in place.

replaced in due course by Stabilisation and Association Agreements with the countries concerned.

3. With a view to supporting economic revival in Kosovo it is equally proposed to extend these preferences to Kosovo which, under UNSC Resolution 1244 of 10 June 1999, is subject to international civil administration by the United Nations Mission in Kosovo (UNMIK). In accordance with UNSC Resolution 1244 (10th and 11th preambular), UNMIK's mandate is defined as an interim administration "under which the people of Kosovo can enjoy substantial autonomy within the Federal Republic of Yugoslavia" and its responsibilities include "performing basic civilian administrative functions where and as long as required".

By Regulation No 1999/3 of 31 August 1999, UNMIK has established a customs service of around 120 local staff working under the authority of an UNMIK Director General of Customs. This service is present at the international borders and has established several taxation points at the administrative boundary lines of Kosovo in close co-operation with KFOR and CIVPOL. The EC funded Customs Assistance Mission in Kosovo (CAM-K) is a team composed of 10 international customs experts, which is supporting the modernisation of the UNMIK customs service and the establishment of customs procedures harmonised with the EU practises. One of the areas of technical assistance to the UNMIK customs service is the establishment of effective procedural and organisational measures to enable certificates of origin to be issued. CAM-K is also assisting with the drafting of a revision of UNMIK administrative directive No 1999/01 which will provide the legislative framework for the implementation of the administrative measures necessary for the correct functioning of the system. Furthermore, customs co-operation between the UNMIK customs service and the former Yugoslav Republic of Macedonia was established on 7 March 2000 with the initialling of a Joint Statement on cross-border co-operation.

4. The Republic of Montenegro, within the Federal Republic of Yugoslavia, has no independent customs administration. The extension of the trade preferences to the Republic of Montenegro is, therefore, not possible. However, in order to support economic and democratic reforms in that Republic, it is proposed to grant limited and specific concessions (duty-free tariff quotas) for aluminium products, produced in one plant in Montenegro and not in other parts of the Federal Republic of Yugoslavia. The proposal therefore foresees arrangements applicable for certain industrial products originating in the Federal Republic of Yugoslavia without prejudice to the exclusion of the Federal Republic of Yugoslavia from the autonomous trade preferences as a whole and in full respect of Council Regulation (EC) No 1294/99 of 15 June 1999⁴.
5. The aim of the attached proposal for a Council Regulation (EC) is:
 - to abolish remaining tariff ceilings for certain industrial products originating in Albania, Bosnia and Herzegovina and Croatia and to improve access for agricultural products including processed agricultural products and fishery products originating in these countries;

⁴ OJ L 153, 19.6.1999, p. 63; Regulation as last amended by Council Regulation (EC) No 723/2000 (OJ L 86, 7.4.2000, p.1).

- to extend these preferences to Kosovo as defined by UNSC Resolution No 1244 of 10 June 1999;
- to grant limited concessions (tariff quotas) for Montenegrin aluminium products originating in the Federal Republic of Yugoslavia;
- to streamline and concentrate the autonomous trade preferences for the countries of the Western Balkans in a single new Regulation, thus repealing Regulations (EC) Nos 6/2000 and 1763/1999;
- to remove the countries covered by the proposed Regulation from the GSP.

These measures are proposed as part of the EU Stabilisation and Association process, in response to the specific situation in the Western Balkans. They will not be proposed for other regions and will not constitute a precedent for the EC trade policy with other third countries.

6. It is proposed to link the granting of these improved preferences to the readiness of Albania, Bosnia and Herzegovina and Croatia to engage in effective economic reforms and in regional co-operation with the other countries concerned by the EU Stabilisation and Association process and of all the countries and territories concerned to respect a standstill as regards duties, quantitative restrictions or charges having equivalent effect on imports from the EC.

The proposal establishes safeguards against the risk of fraud and non-respect of rules of origin. The standstill provision is underpinned by a strengthened temporary suspension clause, which equally applies in cases of evidence of fraud, non-respect of rules of origin and/or massive increase of exports into the Community above the level of normal production and export capacity of the beneficiary countries and territories. The period of application of this Regulation is limited to two years. Additionally, under the EU Stabilisation and Association process, support is being provided to the beneficiary countries to strengthen their institutional and administrative capacities and to intensify customs cooperation.

7. Furthermore, this proposal will imply several actions, amendments and adjustments to be made in directly connected areas:
 - In order to avoid any discrimination, the granting of equivalent trade preferences to the former Yugoslav Republic of Macedonia on a separate basis - complementing the existing Co-operation Agreement, by means of an exchange of letters, prior to the signature of a Stabilisation and Association Agreement;
 - The amendment of Regulation (EC) No 517/94 on quantitative limits for imports of textiles products to include separate textile quotas for Kosovo as defined by UNSC Resolution 1244 of 10 June 1999; in addition, the Commission intends to propose as soon as possible the opening of negotiations for textile agreements with Bosnia and Herzegovina and Croatia in order to liberalise trade in textiles with them and to substitute the quotas with a double-checking system and administrative co-operation provisions (textiles representing around 30% of their exports to the EC) and to remove these countries from Regulation (EC) No 517/94;

- The possible amendment of the implementing provisions relating to the Community Customs Code (Commission Regulation 2543/93) as regards products originating in Kosovo as defined by UNSCR 1244 of 10 June 1999;
 - The adjustment of the waiver currently being introduced in the WTO by the Commission for the EC trade regime with the Western Balkan countries, taking into account the elements of improvement and extension of the preferences as foreseen in the proposed Regulation.
8. The Commission proposes the attached proposal for a Council Regulation (EC) for adoption to the Council.

Proposal for a

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introducing exceptional trade measures for countries and territories participating in or linked to the European Union's Stabilisation and Association process, amending Regulation (EC) No 2820/98, and repealing Regulations (EC) Nos 1763/1999 and 6/2000

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 133 thereof,

Having regard to the proposal from the Commission¹,

Whereas:

- (1) At its meeting in Lisbon on 23 and 24 March 2000, the European Council concluded that Stabilisation and Association Agreements with Western Balkan countries should be preceded by asymmetrical trade liberalisation.
- (2) The Council, in its conclusions of 24 January and 14 February 2000, also invited the Commission to examine the question of facilitating trade with the Republic of Montenegro within the Federal Republic of Yugoslavia.
- (3) Council Regulation (EC) No 6/2000 of 17 December 1999 concerning the arrangements applicable to imports into the Community of products originating in the Republics of Bosnia and Herzegovina and Croatia and to imports of wine originating in the former Yugoslav Republic of Macedonia and the Republic of Slovenia² offers for certain industrial products exemption from customs duties within the limit of tariff ceilings and limited concessions are made for agricultural goods, many of them in form of exemption from duties within the limit of tariff quotas. Council Regulation (EC) No 1763/99³ concerning arrangements applicable to imports into the Community of products originating in Albania provides for a similar regime containing the same restrictions.
- (4) The general level of imports from the Western Balkan countries is less than 0.6% of all Community imports. Further market opening is expected to contribute to the process of political and economic stabilisation in the region while not creating negative effects for the Community.

¹ OJ C

² OJ L 2, 5.1.2000, p 1.

³ OJ L 211, 11.8.1999, p 1.

- (5) It is, therefore, appropriate to further improve the Community's autonomous trade preferences by removing all remaining tariff ceilings for industrial products and by further improving access to the Community market for agricultural and fishery products, including processed products.
- (6) These measures are proposed as part of the EU Stabilisation and Association process, in a response to the specific situation in the Western Balkans. They will not constitute a precedent for Community trade policy with other third countries.
- (7) In accordance with the EU Stabilisation and Association process, based on the earlier Regional Approach and the Council Conclusions of 29 April 1997, the development of bilateral relations between the European Union and the Western Balkan countries is subject to certain conditions. The granting of autonomous trade preferences is linked to respect for fundamental principles of democracy and human rights and to the readiness of the countries concerned to develop economic relations between themselves; the granting of improved autonomous trade preferences in favour of countries participating in the EU Stabilisation and Association process should be linked to their readiness to engage in effective economic reforms and in regional cooperation, in particular through the establishment of free trade areas in line with relevant GATT/WTO standards.
- (8) Trade preferences can only be granted to countries or territories possessing a customs administration.
- (9) Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia and Kosovo, as the latter is defined by the United Nations Security Council Resolution 1244 of 10 June 1999⁴, (hereinafter referred to as "Kosovo") fulfil these conditions, and similar trade preferences should be granted to all of them in order to avoid discrimination within the region;
- (10) The Republic of Montenegro within the Federal Republic of Yugoslavia does not possess a separate customs administration. It is, therefore, impossible to grant the same preferences to it. However, the granting of limited trade preferences for certain Montenegrin industrial products that are not produced in other parts of the Federal Republic of Yugoslavia is possible without prejudice to the principle of excluding the Federal Republic of Yugoslavia from the trade preferences as a whole and in full compliance with Council Regulation (EC) No 1294/99 of 15 June 1999 concerning a freeze of funds and a ban on investment in relation to the Federal Republic of Yugoslavia (FRY) and repealing Regulations (EC) No 1295/98 and (EC) No 1607/98⁵.
- (11) The former Yugoslav Republic of Macedonia is already linked to the Community by a Co-operation Agreement containing trade preferences, and the Community and its Member States opened negotiations for a Stabilisation and Association Agreement with that country. The equivalent of improved autonomous trade preferences under this Regulation should, therefore, be granted to that country on a separate basis, with the exception of concessions for wine.

⁴ Subject to international civil administration by the United Nations Mission in Kosovo (UNMIK).

⁵ OJ L 153, 19.6.1999, p. 63; Regulation as last amended by Council Regulation (EC) No 723/2000 (OJ L 86, 7.4.2000, p. 1).

- (12) The proposed Regulation should continue to provide for concessions on wine, as granted under Regulation (EC) No 6/2000, which apply equally to Slovenia and the former Yugoslav Republic of Macedonia pending the conclusion of specific wine agreements with these countries. As these concessions continue to consist of a global tariff quota, it is appropriate to keep these provisions in one and the same Regulation.
- (13) It is, therefore, appropriate to grant the improved autonomous trade preferences to Albania, Bosnia and Herzegovina and Croatia and to include Kosovo and to grant limited and specific trade preferences for certain industrial products originating in the Federal Republic of Yugoslavia.
- (14) For the purposes of certification or origin and administrative cooperation procedures, the relevant provisions of Commission Regulation (EEC) No 2454/93 of 2 July 1993 laying down provisions for the implementation of Council Regulation (EEC) No 2913/92 establishing the Community Customs Code⁶ should be applied.
- (15) For the sake of rationalisation and simplification, it is appropriate to provide that the Commission may, having consulted the Customs Code Committee and without prejudice to the specific procedures provided for in this Regulation, make any necessary changes and technical amendments necessary to this Regulation.
- (16) Since the measures necessary for the implementation of this Regulation are management measures within the meaning of Article 2 of Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission⁷, they should be adopted by use of the management procedure provided for in Article 4 of that Decision;
- (17) The introduction of the proposed measures for agricultural products and fishery products originating in the Republics of Albania, Bosnia and Herzegovina and Croatia will make the inclusion of those Republics in the Community's scheme of generalised tariff preferences superfluous. It is therefore appropriate to remove those Republics from the list of beneficiaries of Council Regulation (EC) No 2820/98 of 21 December 1998 applying a multiannual scheme of generalised tariff preferences for the period 1 July 1999 to 31 December 2001⁸.
- (18) A single new Regulation containing all autonomous trade preferences would give greater transparency to the Community trade regime with countries and territories participating in or linked to the EU Stabilisation and Association process. Consequently, Council Regulations (EC) Nos 1763/1999 and 6/2000 should be replaced.
- (19) These import arrangements should be renewed on the basis of the conditions established by the Council and in the light of the experience gained in granting these arrangements under this Regulation. It is therefore appropriate to limit the duration of the arrangements to 31 December 2002,

⁶ OJ L 253, 11.10.1993, p. 1; Regulation as last amended by Regulation (EC) No 1662/1999 (OJ L 197, 29.7.1999, p. 25).

⁷ OJ L 184, 17.7.1999, p. 23.

⁸ OJ L 357, 30.12.1998, p. 1; Regulation as amended by Regulation (EC) No 1763/1999.

HAS ADOPTED THIS REGULATION:

Article 1

Preferential arrangements

1. Subject to the special provisions laid down in Articles 3 and 4, products originating in the Republics of Albania, Bosnia and Herzegovina and Croatia as well as in Kosovo as defined by the United Nations Security Council Resolution 1244 of 10 June 1999 (hereinafter referred to as "Kosovo"), other than those of heading Nos 0102, 0201, 0202 and 1604 of the Combined Nomenclature, shall be admitted for import into the Community without quantitative restrictions or measures having equivalent effect and with exemption from customs duties and charges having equivalent effect.
2. Wine imports originating in the Republic of Slovenia and the former Yugoslav Republic of Macedonia shall benefit from concessions provided for in Article 4.
3. Certain industrial products originating in the Federal Republic of Yugoslavia shall benefit from concessions provided for in Article 5.

Article 2

Conditions for entitlement to the preferential arrangements

1. Entitlement to benefit from the preferential arrangements introduced by Article 1 shall be subject to the following:
 - (a) compliance with the definition of the concept of "originating products" provided for in Title IV, Chapter 2, section 2 of Regulation (EEC) No 2454/93; and
 - (b) to the abstention of the countries and territories mentioned in Article 1 from introducing new duties or charges having equivalent effect and new quantitative restrictions or measures having equivalent effect from imports originating in the Community 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.
2. For Albania, Bosnia and Herzegovina and Croatia, the entitlement to benefit from the preferential arrangements introduced by Article 1 shall equally be subject to their readiness to engage in effective economic reforms and in regional cooperation with other countries concerned by the European Union's Stabilisation and Association process, in particular through the establishment of free trade areas in conformity with Article XXIV of the GATT 1994 and other relevant WTO provisions.

In the event of non-compliance in this respect, the Council may take the appropriate measures by a qualified majority vote, on the basis of a Commission proposal.

Article 3

Limited concessions for certain textile products

1. As regards textile products originating in the countries or territories referred to in Article 1 (1) of this Regulation and indicated in Annex III B of Regulation (EC) No 517/94, the exemption from customs duties and charges having equivalent effect shall be limited to the Community annual quantities set out in Regulation (EC) No 517/94.
2. For re-importations following an outward processing operation in accordance with Council Regulation (EC) No 3036/94⁹, the exemption from customs duties shall be limited to the Community annual quantities set in Annex VI to Regulation (EC) No 517/94 when products are originate in countries or territories mentioned in Article 1(1) of this Regulation.

Article 4

Agricultural products – tariff quotas

1. For certain fishery products originating in Albania, Bosnia and Herzegovina and Croatia and wine originating in the countries and territories referred to in Article 1 (1) and (2), both listed in Annex I, the customs duties applicable to imports into the Community shall be suspended during the periods, at the levels and within the limits of the Community tariff quotas indicated for each product in that Annex.
2. The customs duties applicable to imports into the Community of ‘baby-beef’ products defined in Annex II and originating in the countries and territories referred to in Article 1(1), shall be 20% of the ad valorem duty and 20% of the specific duty as laid down in the Common Customs Tariff, within the limit of an annual tariff quota of 10.900 tonnes expressed in carcass weight.

The volume of the annual tariff quota of 10.900 tonnes shall be distributed among the beneficiary republics, as follows:

- (a) 1.500 tonnes (carcass weight) for ‘baby-beef’ products originating in Bosnia and Herzegovina;
- (b) 9.400 tonnes (carcass weight) for ‘baby-beef’ products originating in Croatia.

Imports into the Community of ‘baby-beef’ products defined in Annex II and originating in Albania and in Kosovo shall not benefit from a tariff concession.

⁹ OJ L 322, 15.12.1994, p. 1.

Any request for import within these quotas shall be accompanied by an authenticity certificate issued by the competent authorities of the exporting country and attesting that the goods originate in the country or territory concerned and correspond to the definition in Annex II. This certificate shall be drawn up by the Commission according to the procedure provided for in Article 43 of Council Regulation (EC) No 1254/1999¹⁰.

Article 5

**Tariff quotas for aluminium products originating
in the Federal Republic of Yugoslavia**

From 1 January to 31 December each year, imports into the Community of aluminium products originating in the Federal Republic of Yugoslavia and listed in Annex III, shall benefit from an exemption from customs duties in accordance with the Community tariff quotas specified in that Annex.

Article 6

Implementation of tariff quotas for "baby beef"

The detailed rules for implementing the tariff quota for 'baby-beef' products shall be determined by the Commission according to the procedure provided for in Article 43 of Regulation (EC) No 1254/99.

Article 7

Administration of tariff quotas

The tariff quotas referred to in Article 4(1) and Article 5 shall be administered by the Commission in accordance with Articles 308a, 308b and 308c of Regulation (EEC) No 2454/93.

Communication for that purpose between the Member States and the Commission shall be effected, as far as possible, by telematic link.

Article 8

Access to tariff quotas

Each Member State shall ensure that importers have equal and uninterrupted access to the tariff quotas for as long as the balance of the relevant quota volume so permits.

¹⁰ OJ L 160, 26.6.1999, p. 21.

Article 9

Conferment of powers

The Commission shall, in accordance with the procedure referred to in Article 10(2), adopt the provisions necessary for the application of this Regulation, other than those provided for in Article 6, notably:

- (a) amendments and technical adjustments necessary following amendments to the Combined Nomenclature codes and to the Taric-subdivisions;
- (b) necessary adjustments following the conclusion of other agreements between the Community and the countries and territories referred to in Article 1.

Article 10

Management Committee

1. The Commission shall be assisted by the Customs Code Committee instituted by Article 247 of Council Regulation (EEC) No 2913/92¹¹, hereinafter referred to as the 'Committee'.
2. Where reference is made to this paragraph, the management procedure laid down in Article 4 of Decision 1999/468/EC shall apply, in compliance with Article 7 thereof.
3. The period provided for in Article 4(3) of Decision 1999/468/EC shall be one month.

Article 11

Cooperation

Member States and the Commission shall cooperate closely to ensure that this Regulation is complied with.

Article 12

Temporary suspension

1. Where the Commission finds that there is sufficient evidence of fraud or failure to provide administrative cooperation as required for the verification of evidence of origin, or that there is a massive increase of exports into the Community above the level of normal production and export capacity or a failure of compliance with the provisions of Article 2(1) by countries and territories covered by this Regulation, it may take measures to suspend in whole or in part the arrangements provided for in this Regulation for a period of three months, provided that it has first:

¹¹ OJ L 302, 19.10.1992, p. 1.

- (a) informed the Committee;
 - (b) called on the Member States to take such precautionary measures as are necessary in order to safeguard the Community's financial interests and/or to secure compliance by the beneficiary countries and territories with Article 2(1);
 - (c) published a notice in the *Official Journal of the European Communities* stating that there are grounds for reasonable doubts about the application of the preferential arrangements and/or compliance with Article 2(1) by the beneficiary country or territory concerned which may call into question its right to continue enjoying the benefits granted by this Regulation.
2. A Member State may refer the Commission's decision to the Council within 10 days. The Council, acting by a qualified majority, may take a different decision within 30 days.
 3. On conclusion of the period of suspension, the Commission shall decide either to terminate the provisional suspension measure following consultation of the Committee or to extend the suspension measure in accordance with the procedure provided for in paragraph 1.

Article 13

Amendment of Regulation (EC) No 2820/98

In Annex III to Regulation (EC) No 2820/98, the following entries are deleted:

"AL Albania⁽¹⁾", "BA Bosnia and Herzegovina⁽¹⁾" and "HR Croatia⁽¹⁾".

Article 14

Repeals

Regulations (EC) Nos 1763/1999 and 6/2000 are hereby repealed.

Article 15

Initial *pro rata* application

1. By way of derogation from Article 7, paragraphs 2, 3 and 4 of this Article shall apply for the first calendar year of the application of this Regulation.
2. The volumes of the tariff quotas shall be calculated as a *pro rata* of the basic volumes indicated in Annexes I and III, account being taken of the part of the period elapsed before the date of application of this Regulation.

3. The quantities which have been imported within the framework of the tariff quotas with order numbers 09.1515 and 09.1561 applicable within Regulations (EC) Nos 6/2000 and 1763/1999 respectively, shall be taken into account for charging on the respective tariff quotas in Annex I to this Regulation.
4. The quantities which have been imported within the framework of the tariff quotas for "baby beef" applicable within Article 5(3) and Annex F of Regulation (EC) No 6/2000 shall be taken into account for charging on the respective tariff quotas referred to in Article 4(2) and Annex II of this Regulation.

Article 16

Transitional measures

1. The benefit of the generalised tariff preferences established by Regulation (EC) No 2820/98 shall continue to be granted in respect of goods originating in Albania, Bosnia and Herzegovina and Croatia which are put into free circulation in the Community before [the first day of the fourth month following the entry into force of this Regulation], provided that:
 - (a) the goods concerned are covered by a purchase contract concluded before the date of entry into force of this Regulation; and
 - (b) it can be shown to the satisfaction of the customs authorities that those goods left the country of origin no later than the date of entry into force of this Regulation.
2. The customs authorities may regard paragraph 1(b) as having been satisfied if one of the following documents is submitted to them:
 - (a) in the case of transport by sea or waterway, the bill of lading showing that loading took place before the date of entry into force of this Regulation;
 - (b) in the case of transport by rail, the consignment note accepted by the railways of the expediting country before the date of entry into force of this Regulation;
 - (c) in the case of transport by road, the international road transport TIR carnet issued before the date of entry into force of this Regulation by the customs office in the country of origin or any other appropriate document authenticated by the relevant customs authorities of the country of origin before that date;
 - (d) in the case of transport by air, the air consignment note showing that the airline received the goods before the date of entry into force of this Regulation.

Article 17

Entry into force and application

This Regulation shall enter into force on the seventh day following that of its publication in the *Official Journal of the European Communities*.

It shall apply from the first day of the second month after its entry into force until 31 December 2002.

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

Done at Brussels,

For the Council
The President

ANNEX I

concerning the tariff quotas referred to in Article 4(1)

Notwithstanding the rules for the interpretation of the Combined Nomenclature, the wording for the description of the products is to be considered as having no more than an indicative value, the preferential scheme being determined, within the context of these Annexes, by the coverage of the CN codes. Where ex CN codes are indicated, the preferential scheme is to be determined by application of the CN code and corresponding description taken together.

Order No	CN Code	Description	Quota volume per year ⁽¹⁾	Beneficiaries	Rate of duty
09.1571	0301 91 10	Trout (<i>Salmo trutta</i> , <i>Oncorhynchus mykiss</i> , <i>Oncorhynchus clarki</i> , <i>Oncorhynchus aguabonita</i> , <i>Oncorhynchus gilae</i> , <i>Oncorhynchus apache</i> and <i>Oncorhynchus chrysogaster</i>): live; fresh or chilled; frozen; dried, salted or in brine, smoked; fillets and other fish meat; flours, meals and pellets, fit for human consumption	100 tonnes	Albania, Bosnia and Herzegovina, Croatia	Exemption
	0301 91 90				
	0302 11 10				
	0302 11 90				
	0303 21 10				
	0303 21 90				
	0304 10 11				
	ex 0304 10 19				
	ex 0304 10 91				
	0304 20 11				
	ex 0304 20 19				
	ex 0304 90 10				
ex 0305 10 00					
ex 0305 30 90					
0305 49 45					
ex 0305 59 90					
ex 0305 69 90					
09.1573	0301 93 00	Carp: live; fresh or chilled; frozen; dried, salted or in brine, smoked; fillets and other fish meat; flours, meals and pellets, fit for human consumption	300 tonnes	Albania, Bosnia and Herzegovina, Croatia	Exemption
	0302 69 11				
	0303 79 11				
	ex 0304 10 19				
	ex 0304 10 91				
	ex 0304 20 19				
	ex 0304 90 10				
	ex 0305 10 00				
	ex 0305 30 90				
	ex 0305 49 80				
	ex 0305 59 90				
	ex 0305 69 90				

⁽¹⁾ One global volume per tariff quota shared among the beneficiaries.

09.1575	ex 0301 99 90 0302 69 61 0303 79 71 ex 0304 10 38 ex 0304 10 98 ex 0304 20 95 ex 0304 90 97 ex 0305 10 00 ex 0305 30 90 ex 0305 49 80 ex 0305 59 90 ex 0305 69 90	Sea bream (<i>Dentex dentex</i> and <i>Pagellus</i> spp.): live; fresh or chilled; frozen; dried, salted or in brine, smoked; fillets and other fish meat; flours, meals and pellets, fit for human consumption	100 tonnes	Albania, Bosnia and Herzegovina, Croatia	Exemption
09.1577	ex 0301 99 90 0302 69 94 ex 0303 77 00 ex 0304 10 38 ex 0304 10 98 ex 0304 20 95 ex 0304 90 97 ex 0305 10 00 ex 0305 30 90 ex 0305 49 80 ex 0305 59 90 ex 0305 69 90	Sea bass (<i>Dicentrarchus labrax</i>): live; fresh or chilled; frozen; dried, salted or in brine, smoked; fillets and other fish meat; flours, meals and pellets, fit for human consumption	600 tonnes	Albania, Bosnia and Herzegovina, Croatia	Exemption
09.1579	1604 13 11 1604 13 19 ex 1604 20 50	Prepared or preserved sardines	250 tonnes	Albania, Bosnia and Herzegovina, Croatia	6%
09.1561	1604 16 00 1604 20 40	Prepared or preserved anchovies	1 000 tonnes	Albania, Bosnia and Herzegovina, Croatia	12.5%
09.1515	2204 21 79 ex 2204 21 80 2204 21 83 ex 2204 21 84 2204 29 65 ex 2204 29 75 2204 29 83 ex 2204 29 84	Wine of fresh grapes, of an actual alcoholic strength by volume not exceeding 15% vol, other than sparkling wine	545 000 hl	Albania, Bosnia and Herzegovina, Croatia, Former Yugoslav Republic of Macedonia, Kosovo, Slovenia	Exemption

ANNEX II

Definition of 'baby beef' products referred to in Article 4(2)

Notwithstanding the rules for the interpretation of the Combined Nomenclature, the wording for the description of the products is to be considered as having no more than an indicative value, the preferential scheme being determined, within the context of this Annex, by the coverage of the CN codes. Where ex CN codes are indicated, the preferential scheme is to be determined by application of the CN code and corresponding description taken together.

CN Code	Taric sub-division	Description
ex 0102 90 51	10	Live bovine animals : - Other : -- Domestic species : --- Of a weight exceeding 300 kg : ---- Heifers (female bovines that have never calved) : ----- For slaughter : - Not yet having any permanent teeth, of a weight of 320 kg or more but not exceeding 470 kg ⁽¹⁾
ex 0102 90 59	11 21 31 91	----- Other : - Not yet having any permanent teeth, of a weight of 320 kg or more but not exceeding 470 kg ⁽¹⁾
ex 0102 90 71	10	---- Other : ----- For slaughter : - Bulls and steers not yet having permanent teeth, of a weight of 350 kg or more but not exceeding 500 kg ⁽¹⁾
ex 0102 90 79	21 91	----- Other : - Bulls and steers not yet having permanent teeth, of a weight of 350 kg or more but not exceeding 500 kg ⁽¹⁾
ex 0201 10 00	91	Meat of bovine animals, fresh or chilled : - Carcasses and half-carcasses : - Carcasses of a weight of 180 kg or more but not exceeding 300 kg, and half carcasses of a weight of 90 kg or more but not exceeding 150 kg, with a low degree of ossification of the cartilages (in particular those of the symphysis pubis and the vertebral apophyses), the meat of which is a light pink colour and the fat of which, of extremely fine texture, is white to light yellow in colour ⁽¹⁾
ex 0201 20 20	91	- Other cuts with bone in : -- 'Compensated' quarters : - 'Compensated' quarters of a weight of 90 kg or more but not exceeding 150 kg, with a low degree of ossification of the cartilages (in particular those of the symphysis pubis and the vertebral apophyses), the meat of which is a light pink colour and the fat of which, of extremely fine texture, is white to light yellow in colour ⁽¹⁾

⁽¹⁾ Entry under this subheading is subject to conditions laid down in the relevant Community provisions.

ex	0201 20 30	91	<p>-- Unseparated or separated forequarters :</p> <p>- Separated forequarters, of a weight of 45 kg or more but not exceeding 75 kg, with a low degree of ossification of the cartilages (in particular those of the vertebral apophyses), the meat of which is a light pink colour and the fat of which, of extremely fine texture, is white to light yellow in colour ⁽¹⁾</p>
ex	0201 20 50	91	<p>-- Unseparated or separated hindquarters :</p> <p>- Separated hindquarters of a weight of 45 kg or more but not exceeding 75 kg (but 38 kg or more and not exceeding 68 kg in the case of 'Pistola' cuts), with a low degree of ossification of the cartilages (in particular those of the vertebral apophyses), the meat of which is a light pink colour and the fat of which, of extremely fine texture, is white to light yellow in colour ⁽¹⁾</p>

⁽¹⁾ Entry under this subheading is subject to conditions laid down in the relevant Community provisions.

ANNEX III

Concerning the annual tariff quotas referred to in Article 5 and applicable to certain industrial products originating in the Federal Republic of Yugoslavia

Notwithstanding the rules for the interpretation of the Combined Nomenclature, the wording for the description of the products is to be considered as having no more than an indicative value, the preferential scheme being determined, within the context of these Annexes, by the coverage of the CN codes. Where ex CN codes are indicated, the preferential scheme is to be determined by application of the CN code and corresponding description taken together.

Order number	CN Code	Description	Quota volume (in tonnes)
09.1591	2818	Artificial corundum, whether or not chemically defined; aluminium oxide; aluminium hydroxide	10 000
09.1593	7601	Unwrought aluminium	40 000

FINANCIAL STATEMENT

1. TITLE OF OPERATION:

Proposal for a Council Regulation introducing exceptional trade measures for countries and territories participating in or linked to the European Union's Stabilisation and Association process [concerning the arrangements applicable to imports into the Community of products originating in the Republics of Albania, Bosnia and Herzegovina and Croatia as well as in Kosovo as defined by UNSC Resolution 1244 of 10 June 1999, to imports of wine originating in the former Yugoslav Republic of Macedonia and the Republic of Slovenia and to imports of certain industrial products originating in the Federal Republic of Yugoslavia, repealing Council Regulations (EC) Nos 6/2000 and 1763/99 and amending Council Regulation (EC) No 2820/98 by ending GSP benefit for the Republics of Albania, Bosnia and Herzegovina and Croatia]

2. BUDGET HEADING INVOLVED:

Chapter 12, Article 120.

3. LEGAL BASIS:

Article 133 of the EC Treaty.

4. OBJECTIVE:

- The upgrading of the existing EC autonomous preferential trade arrangements applicable to imports into the Community of products originating in the Republics of Bosnia and Herzegovina and Croatia and to imports of wine originating in the former Yugoslav Republic of Macedonia and the Republic of Slovenia and, on a separate basis, to Albania (in one single new Regulation);
- The extension of these preferences to imports from Kosovo as defined by UNSC Resolution 1244 of 10 June 1999;
- The granting of specific limited concessions for the import of certain Montenegrin industrial products originating in the Federal Republic of Yugoslavia;
- The removal of Albania, Bosnia and Herzegovina and Croatia from the GSP.

5. FINANCIAL IMPACT:

The existing Regulations already provided for duty-free access for at least 80% of all imports from the countries concerned (annual losses at around 100 MEURO per annum) The abolishment of remaining tariff ceilings for certain industrial products and the improved access for agricultural products including processed agricultural products and fisheries may increase the rate of duty-free access to the Community up to 95%. A significant financial impact in terms of losses for the Community budget

is, however, unlikely, mainly because in the past the countries eligible for the trade arrangements were unable to use fully the given preferences and this is not likely to change quickly. All imports from the countries concerned represent less than 0.6% of total imports of the Community.

6. FIGHT AGAINST FRAUD:

Provisions on the management of tariff quotas and a specific temporary suspension clause (Article 10) include the measures necessary for preventing and protecting against fraud and irregularities in the case of failure to provide administrative cooperation as required for the verification of evidence of origin or massive increase of exports into the Community above the level of normal production and export capacity of the countries and territories concerned.