

# COMMISSION OF THE EUROPEAN COMMUNITIES

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## 1982 PROGRAMME FOR THE ATTAINMENT OF THE CUSTOMS UNION

(Communication from the Commission to the Council)

COM(82) 50 final

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RESUME

In accordance with the annual commitment procedure laid down in the "multiannual programme for the attainment of the customs union" (1), forwarded to the Council, the European Parliament and the Economic and Social Committee in March 1979, the Commission submits this document to those institutions.

Considering the inadequacy of the results obtained since 1979, the communication looks into the reasons for this and invites the Council to accord effective priority to work on the attainment of the Customs Union and the greater use of the powers of delegation provided for in Article 155 of the Treaty.

This communication records the achievements in 1981 and the priorities for 1982 at Council level and Commission level.

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(1) O.J. n° C 84 of 31.3.1979, p. 2

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1982 PROGRAMME FOR THE ATTAINMENT OF THE CUSTOMS UNION

1. This Communication, which follows those on the 1980 (1) and 1981 (2) programmes, is part of the series of measures for the attainment of the customs union inaugurated by the Multiannual Programme (3) which was sent in 1979 to the Council, Parliament and the Economic and Social Committee. This is the third implementation of the procedure laid down in the Multiannual Programme in 1979 whereby the Commission undertakes to send the appropriate Community institutions an annual report setting out the achievements of the past year and priorities for the following year.

The Commission set up this procedure partly in response to the European Parliament's wish expressed in its 1978 Resolution on the development of the customs union and of the internal market (4). This called upon the Commission to draw up regularly up-dated programmes, thereby creating a new method for making periodic checks on progress, taking into account also the role of the customs union in the implementation of other common policies.

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(1) OJ No C 44, 21.2.1980, p. 3

(2) OJ No C 106, 8.5.1981, p. 2

(3) OJ No C 84, 31.3.1979, p. 2

(4) OJ No C 108, 8.5.1978, p. 29

2. The Commission feels that the programmes should not merely list the proposals sent to the Council, with details of action taken, if any. Given the small number of proposals adopted by the Council, such a course of action would mean that the priorities to be adopted would remain largely unchanged from year to year.

The Commission wishes above all to emphasize by this new method its own resolve to work towards attainment of the customs union and thus to highlight the political factors which have governed the implementation of the programme.

It expects moreover that this commitment will lead the other Community institutions to make similar political commitments in which the Member States' Governments, together with the customs administrations and other relevant departments and their officials, and all who have a part to play in the attainment of the customs union, will be called upon to participate.

While on this subject, the Commission thinks it worth recalling the fundamental role which has fallen to the customs union in the task of building an internal market. Thus the declaration made by the European Council which met at Luxembourg on 29 and 30 June 1981, following the Commission's communication to the Council on the state of the internal market of 17 June 1981 (1), and according to which a special effort should be made to reinforce and develop the internal market (2), makes the strengthening of the customs union an issue of immediate importance.

3. Twenty-four years after the creation of the European Community, it must be admitted that full customs union is still a long way off. Such a union should have the following features :

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(1) COM (81) 313 of 17.06.1981

(2) EC Bulletin N° 6 of 1981, page 8

- externally : a Community customs policy based on a comprehensive, uniform and effective set of customs rules applied at the Community's frontier; these homogeneous arrangements applicable to foreign trade are not only an expression of the Community's customs policy but also the essential platform on which the internal market is built and the success of other policies, such as those in the commercial, agricultural, development and monetary spheres, depends.

Community customs legislation now covers a substantial part of customs law, even though in some cases only the most important aspects of arrangements and procedures have been harmonized. This structure therefore needs to be extended by harmonization in the sectors as yet untouched and by consolidation of provisions in other sectors, notably those in which harmonization was carried out on the basis of directives. Once the harmonization of basic principles is complete, a customs code binding the legislation by sector into a structured whole can then be drawn up.

- internally : the achievement of free trade in Community goods which, aided by the execution of common external laws, must flow from the abolition of formalities connected with checking goods at internal frontiers. Some of the formalities which must at present be carried out at internal frontiers are customs requirements - the new customs entity and its structures being as yet incomplete - but for the most part they are justified by other requirements, for example of a statistical or fiscal kind.

An account of this situation, and well aware that only an overall action taking in all the fields concerned could succeed in achieving a substantial simplification of formalities and checks at internal frontiers, the Commission forwarded a proposal for a resolution to the Council in October 1981 on the strengthening of the internal market, setting out all the various measures deemed necessary to attain this goal. In the same context one should also draw attention to the programme for the simplification of administrative procedures and formalities applicable for the purposes of levying value-added tax in intracommunity trade, which also forms part of the move to complete the internal market.

4. The Commission cannot remain indifferent in the face of the marked slackening-off, after the initial enthusiasm in 1979, in the process of examination and adoption of its customs proposals. This slackening-off means that it would be foolhardy now to predict at what date the objectives, as realistic as they are precise, set out in the Multiannual Programme will be attained.

The root-causes of this slackening-off must therefore be examined in the light of an awareness of the positive impact that the customs achievements would be bound to have on the working of the internal market and on the productivity and competitiveness of the Community's industries, particularly in these times of economic crisis and the fight against unemployment.

5. The Community's foundation obviously cannot be secured by mere declarations of intent : a genuine political commitment is called for, involving the daily participation of all Community bodies. These bodies must endeavour to succeed despite all the technical difficulties, on the basis of the intention clearly stated in the Treaty by its authors to give the Community a customs policy which would be the cornerstone of the European endeavour in the context of the harmonious development of world trade.

The record of achievements since 1979, consisting in the adoption of a substantial number of customs proposals <sup>1)</sup> may be regarded as being relatively satisfactory.

However, it should be recalled that most of those proposals - and the most important among them - were adopted in 1979, that some of them had been before the Council for years, that several of them were of limited scope or did no more than implement international provisions already negotiated and above all that other important proposals have not yet been adopted by the Council within the set time limits.

6. While considerable progress has been made toward the attainment of the customs union since the unveiling of the Multiannual Programme in 1979, an analysis of the record overall shows that unless there is evidence of clear political will, further progress will be all the harder to achieve as it depends on the Member States agreeing to changes in some of their legal and administrative arrangements .

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(1) Nine in 1979, seven in 1980 and five in 1981 (situation at November 1981), not to mention purely administrative proposals.

This is one of the main reasons for the slackening-off already mentioned.

7. It is the Commission's view that the slow progress made in meetings at Council level is due to the fact that the relevant working group is called upon to devote too much of its energy to the technical details of harmonization proposals which have to be put into their final version. In order for the examination of these proposals to be carried out with the best possible effectiveness and speed, the group should be able to direct its discussions essentially towards their economic and political implications.

To that end, the Commission considers that an expression of real political will on the part of the Council should logically result in that body making greater use of the scope available under Article 155 of the Treaty to delegate the necessary powers to the Commission. A judicious distribution of work, leaving to the Commission the task of settling the implementing details of acts adopted by the Council, would make it possible to reduce the highly technical nature of most of the proposals and enable the Council to concentrate its discussions on the main aspects of customs policy. Past experience in this respect has proved very positive, as demonstrated by the numerous acts passed by the Commission within the procedural framework of the committee on rules, for example, those which have been adopted on the subject of customs value. Such an approach would be fully in line with the statement by the Heads of State and Government in Paris in December 1974, drawing attention to the advantage of implementing the provisions of the Treaty for devolving on the Commission the powers of implementation and administration under Community regulations.



8. The Commission welcomes Parliament's recent Resolution of 17 September 1981 on the 1981 programme for the attainment of the customs union. It hopes moreover that the interest shown once again by Parliament will not be thwarted by the difficulties encountered in certain national parliaments which sometimes oppose the adoption of customs proposals. In this context, the Commission would recall the Resolution on relations between the European Parliament and the national parliaments adopted by the former on 9 July 1981 <sup>1)</sup>. The Commission also hopes that Parliament will issue its opinions as soon as possible in accordance with its past practice. Indeed, most of the customs proposals require immediate examination and a quick decision.
9. The Commission also notes with satisfaction the praiseworthy efforts of the Economic and Social Committee, which has shown time and again its desire to see full customs union attained, and the cooperation of the professional organizations in the Advisory Committee on Customs Matters, which have emphasized the importance which they attach to the attainment of the customs union. The Commission is following with great interest the initiatives taken by certain members of the Committee to encourage the relevant Community and national bodies to give full support to the implementation of the customs programmes. The fact that such enthusiasm for attainment of the customs union emanates from the Advisory Committee on Customs Matters, which comprises representatives of Community-wide professional organizations covering industry, commerce, chambers of commerce, agriculture, transport, consumers and forwarding and customs agents, shows clearly the impact of this policy in the current economic climate.

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1) OJ No C 234, 14.9.1981, p. 58.

In conclusion, the Commission, confirming its political will to bring about the attainment of the customs union, invites the Council to accord effective priority to work on attainment of the customs union and to confer on the Commission wider powers for implementing the rules adopted by the Council.

In addition, in accordance with the method suggested by Parliament and taken up in the Multiannual Programme in 1979, the Commission presents in detail in Annex I its list of priorities for the Council for 1982 and the achievements of 1981.

Finally, the Commission would emphasize that the enactment of all the measures listed in Annex I does not exhaust the full range of activities necessary to provide the Community with adequate customs foundation for the pursuit of the Treaty's objectives. As well as measures to be carried out with other Community bodies, the Commission is engaged in a number of activities in the customs sphere in close contact with the Member States' customs administrations. These activities are also essential in order to make the Community's customs union a daily working reality which can create or consolidate the fundamental solidarity which underpins the European endeavour. These activities are listed in Annex II.

PRIORITIES FOR THE COUNCIL FOR 1982 AND  
STATEMENT OF RESULTS FOR 1981

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I. PRIORITIES

Given the considerable backlog which accumulated in 1980 and 1981, the proposals which should be adopted as a matter of priority in 1982 are essentially those already included under A and B in the previous programmes.

These proposals are listed below.

Following the practice adopted since the March 1979 communication, priority proposals are divided into three separate categories:

- A. proposals to be sent to the Council in 1982,
- B. proposals not yet examined at all by the Council or only in the early stages of examination, but which should be adopted before 1 January 1983,
- C. proposals already examined by the Council or in the final stages of examination, which could therefore be adopted in the first half of 1982 (1).

These three categories contain only the most important proposals for the attainment of the customs union. They do not include the proposals being considered by the Council which were submitted by the Commission in order to ensure the day-to-day management of customs legislation or the Common Customs Tariff, either by unilateral measures or in implementation of international obligations already entered into by the Community under agreements with certain non-member countries.

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(1) The proposals followed by three asterisks have already appeared under A in the 1979, 1980 and 1981 programmes; those followed by two asterisks are listed under A in the 1980 and 1981 programmes; and those followed by one asterisk appeared under A in the 1981 programme.

A. Proposals to be sent to the Council in 1982

A1. Proposals relating to implementation of the programme to simplify formalities in intra-Community trade (see doc. SUD/B/1 85/82)

The proposals, deal with the putting into effect of the overall action which the Commission intends to carry out in order to achieve completely free movement in internal trade (cf. the proposal to the Council for a resolution on the reinforcement of the internal market which the Commission made on the 21 October 1981 (doc. Council n° 10.220/81 of 23.10.1981)).

- A2. Proposal for a regulation defining the persons liable for payment of a customs debt and the period after which an action in respect of such debt is barred.
- A3. Proposal for a regulation on temporary importation of means of transport in the Community.
- A4. Proposal for a directive laying down the conditions governing release for free circulation of goods sold by customs.
- A5. Proposal for a Council regulation on the security to be provided to ensure payment of a customs debt.

These proposals had already appeared under C in the 1981 programme.

- A6. Proposal for a regulation on outward processing arrangements.
- A7. Proposal for a regulation on standard exchange arrangements.

A8. Proposal for a regulation on free zones.

A9. Proposal for a regulation on customs warehousing arrangements

These proposals come under the heading of the conversion of directives into regulations (1), as advocated by the 1979 Multi-annual Programme, with a view to ensuring greater uniformity and reliability of customs legislation through the greater legal security thereby provided for private individuals.

A10. Proposal for a regulation on the introduction of an import declaration form

In view of the entry into force of Council Directive 79/695/EEC of 24 July 1979 on the harmonization of procedures for the release of goods for free circulation, work on the planned measures aimed at introducing the declaration form should be pursued.

A11. Proposal on the extension of the scope of Community transit arrangements

Depending on the results of the current informal discussions with Yugoslavia, a mandate may be requested for the negotiation of an agreement with this country with a view to extending the scope of Community transit arrangements, which would allow for greater fluidity of trade between Greece and the rest of the Community.

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(1) See point B5 of 1981 programme

A12. Proposals relating to activities in the field of customs data processing

In view of the importance of reliable and speedy information on imports and exports for the smooth management of Community commercial, industrial, agricultural and development policies, the Commission intends to make proposals in this field following the CADDIA studies.

B. Proposals not yet examined at all by the Council or only in the early stages of examination but which should be adopted in 1982

B1. Proposal for a Council regulation on the definition of the customs territory of the Community

COM(80)658 final of 3 November 1980

Transmitted to the Council on 7 November 1980

Opinion of Parliament on 18 September 1981

Opinion of Economic and Social Committee on 29 April 1981

This proposal has still not been examined at all by the relevant Council body.

B2. Proposal for a Council regulation simplifying the adoption of temporary measures derogating from the application of Common Customs Tariff duties

COM(80)669 final of 3 November 1980

Transmitted to the Council on 10 November 1980

This proposal has still not been examined at all by the Council.

B3. Proposal for a Council Directive on the harmonization of provisions laid down by law, regulation or administrative action concerning the exercise of the right of appeal in respect of customs matters

COM(80)860 final of 9 January 1981

Transmitted to the Council on 29 January 1981

Opinion of Parliament on 21 January 1982

Opinion of Economic and Social Committee on 27 May 1981

As Parliament has not yet given its opinion, the examination of this proposal has not yet begun within the relevant Council body.

B4. Proposal for a Council Regulation introducing arrangements for movement within the Community of goods sent from one Member State for temporary use in one or more other Member States

COM(81)378 final of 14 July 1981

Transmitted to the Council on 14 July 1981

Opinion of European Parliament on 18 December 1981

Opinion of Economic and Social Committee not yet given

The adoption of this proposal will lead to definite progress towards the free movement of Community goods sent for temporary use in one or more other Member States. The proposal was drawn up in response to the request made by Parliament on 16 October 1980 concerning the 1981 programme for the attainment of the customs union and aims to simplify considerably the movement of the goods in question and to resolve numerous problems frequently encountered by artisans, journalists and artists transporting their professional tools, equipment or instruments, as the case may be, which they need in the exercise of their activity.



- B5. Proposal for a Council Regulation on the information provided by the customs authorities of the Member States concerning the classification of goods in the customs nomenclature

COM(81)483 final of 11 September 1981

Transmitted to the Council on 24 September 1981

Opinion of European Parliament not yet given

Opinion of Economic and Social Committee not yet given

This proposal is one of a group of measures aimed at making trade arrangements between the EEC and non-member countries more homogeneous and at the same time ensuring increased legal protection for those engaged in international trade.

- B6. Proposal for a Council Regulation amending Council Regulation (EEC) No 97/69 on the nomenclature of the Common Customs Tariff

The adoption of this proposal is now a matter of urgency to allow amendments to be made to Council Regulation (EEC) No 97/69 with the aim of giving the Committee on CCT Nomenclature clear powers to take decisions on problems arising in the classification of goods in nomenclatures other than the CCT proper (Regulation (EEC) No 950/68, as amended), but derived from the CCT. This proposal will mainly apply to nomenclature for export refunds on agricultural products and the lists annexed to agreements concluded with certain non-member countries.

- B7. Proposals connected with the negotiation and acceptance of international customs conventions by the Community

This involves the acceptance of international conventions already negotiated at Community level or, in some cases, the establishment of directives for the negotiation of such conventions (1).

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(1) Point 2 in Annex II to this programme

- B8. Proposal for a Council Directive establishing a list of compensating products and intermediate products referred to in Article 18 of Council Directive 69/73/EEC of 4 March 1969 on the harmonization of provisions laid down by law, regulation or administrative action in respect of inward processing

The establishment, at Community level, of a list of compensating products and intermediate products obtained under inward processing arrangements which may only be entered for home use subject to application of the customs duties, charges having equivalent effect or agricultural levies which relate to those products and not to the imported goods, will further encourage exports of goods obtained under the said arrangements. In view of the urgency of finding a solution in this field, the Commission expects to transmit this proposal to the Council in spite of the fact that a regulation on inward processing relief arrangements (1) has not yet been adopted.

- B9. Proposal for a Council Regulation on the application of a decision of the EEC-Israel Cooperation Council

COM(80)762 final of 24 November 1980

Transmitted to the Council on 1 December 1980

This concerns the adoption by the Community of a common position to be taken by the EEC-Israel Cooperation Council on the issue of EUR 1 movement certificates.

- B10. Proposal for a regulation amending Council Regulation (EEC) No 1908/73 of 4 July 1973 on the procedure to facilitate the issue of movement certificates under the provisions governing trade between the European Economic Community and certain non-member countries

Experience has shown that implementation of the provisions of the regulation, which are very important for the functioning of the Community's preferential trade agreements, is not entirely satisfactory.

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(1) Point C8 of this Annex

As a result, the Commission intends to propose amendments to improve and update the system of "consignor's declarations" and "information certificates" provided for in the Regulation.

B11. Proposal for a Council Regulation amending for the third time Regulation (EEC) No 222/77 on Community transit

This proposal is one of a series of measures taken to give greater flexibility to guarantee mechanisms in the field of Community transit and ensure that these mechanisms work to the satisfaction of all those affected, particularly small and medium-sized firms.

C. Proposals already examined by the Council or in the final stages of examination which could therefore be adopted in the first half of 1982 (1)

C1. Proposal for a Council regulation on processing prior to customs clearance

(Umwandlungsverkehr) (\*\*\*)

Com(72)1623 final of 22 December 1972

Transmitted to the Council on 29 December 1972

Opinion of Parliament on 9 May 1973

Opinion of Economic and Social Committee on 23 January 1973

The fact that all the Member States are in agreement about the economic advantages of the arrangements in question - advantages which the Commission would again emphasize strongly - makes the non-adoption of this proposal, which has been before the Council since 1972, even less justifiable.

The opposition of a single Member State to the implementation of the arrangements in the unmanufactured tobacco sector is in fact holding up the entire proposal.

As the arrangements are applied in all Member States, though sometimes according to different rules, and in several of them also in the disputed sector, the non-adoption of the proposal, allows a situation to drag on which is not in accordance with the principles of a customs union.

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(1) The proposals are given in order of forwarding to the Council.

C2. Proposal for a Council regulation laying down the customs procedure applicable to the stores of vessels, aircraft and international trains (\*\*)

COM(78)76 final of 1 March 1978

Transmitted to the Council on 8 March 1978

Opinion of Parliament on 16 June 1978

Opinion of Economic and Social Committee on 17 May 1978

This proposal has not yet been adopted due to difficulties that the Council's Economic Questions Group has encountered with regard to the coordination of the provisions to be adopted either in the customs field or the domain of fiscal policy in the sphere of stores.

C3. Proposal for a Council regulation on temporary admission procedure (\*)

COM(78)305 final of 29 June 1978, as amended by  
COM(79) 29 final of 9 February 1979;

Transmitted to the Council on 5 July 1978

Opinion of Parliament on 16 November 1978

Opinion of Economic and Social Committee on 21 February 1979

Adoption of this proposal has encountered difficulties from one Member State as regards the provisions on partial taxation which the nine other members have agreed to.

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C4. Proposals on the rationalization of preferential rules of origin (EFTA) (\*\*)

COM(78)745 final of 10 January 1979

COM(78)746 final of 10 January 1979

Transmitted to the Council on 11 January 1979.

The Commission has asked the Council for authorization to negotiate a number of simplification measures with the EFTA countries (cumulation, alternative percentage rule for lists A and B). In view of the importance of trade between the Community and EFTA countries, the proposed rationalization, as the Member States most involved in such trade and the EFTA countries have pointed out for several years, is of major interest, particularly to small and medium-sized undertakings. Although the Commission put forward technical documentation in support of its view that the proposed measures do not affect the economic impact of the concept of origin, the discussions in the Council have not yet been concluded.

C5. Proposal for a Council regulation defining the conditions under which natural or legal persons may be allowed to enter goods for customs purposes (\*\*)

COM(78)724 final of 10 January 1979, as amended by

COM(79)342 final of 27 June 1979

Transmitted to the Council on 19 January 1979

Opinion of Parliament on 8 May 1979

Opinion of Economic and Social Committee on 22 May 1979

The examination of this proposal has been abandoned temporarily by the Council Working Party on Economic Questions pending a Commission proposal aimed at defining the persons liable for payment of a customs debt.

C6. Proposal for a Council regulation setting up a Community system of reliefs from customs duty (\*)

COM(78)104 final of 9 March 1979

Transmitted to the Council on 13 March 1979

Opinion of Parliament on 14 December 1979

Opinion of Economic and Social Committee on 21 December 1979

This proposal is being examined by the Council Working Party on Economic Questions.

C7. Proposal for a Council regulation amending for the second time Regulation (EEC) No 222/77 on Community transit (\*)

COM(79) 456 final of 6 September 1979, as amended by

COM(80)354 final of 26 June 1980

Transmitted to the Council on 12 September 1979 and 30 June 1980

Opinion of Parliament on 14 February 1980

Opinion of Economic and Social Committee on 12 December 1979

In spite of the numerous compromises presented by the Commission, this proposal, which aims both to simplify certain provisions of the Community transit arrangements, particularly in intra-Community trade, and to strengthen certain mechanisms, has not yet been adopted.

C8. Proposal for a Council regulation on inward processing arrangements

COM(80)916 final of 20 January 1981

Transmitted to the Council on 23 January 1981

The aim of this proposal is to ensure more uniform implementation of the arrangements at present governed by a directive. It is also aimed at enabling Community commercial policy measures to be implemented in a uniform way.

Notwithstanding the economic importance of this proposal, the Council Working Party on Economic Questions only got down to an initial reading of the text in the second half of 1981.

C9. Proposals establishing economic outward processing arrangements applicable to certain textile and clothing products reimported into the Community after working or processing in certain third countries (\*\*)

COM(81) 61 final of 17 March 1981 supplementing COM(79)32 final of 2 February 1979.

Transmitted to the Council on 17 March 1981 following an initial proposal limited to certain Mediterranean non-member countries which was transmitted to the Council on 2 February 1979.

Notwithstanding the urgency of establishing these arrangements, notably so as to enable the new Multifibre Arrangement to be negotiated, the proposal has not yet been adopted.

II. PROPOSALS ADOPTED BY THE COUNCIL IN 1981

The following texts adopted by the Council in 1981 are sufficiently important to merit mention in this communication.

1. Council Decision of 24 February 1981 authorizing the Commission to participate in the negotiation of an international convention on the harmonization of border controls.

The aim of this convention is to facilitate the passage of goods at frontiers by simplifying and harmonizing the conditions for the application of the various controls to which the goods are subjected, without detracting from the objective and effectiveness of the controls.



2. Council Directive 81/177/EEC on the harmonization of procedures for the export of Community goods.

(OJ No L 83 of 30.3.1981, p. 40)

The aim of this directive is :

- (a) to ensure uniform application of the common rules applied to goods exported to non-member countries, particularly measures adopted in connection with the common agricultural policy;
- (b) to eliminate distortions of treatment which currently arise between Community commercial operators because application of the rules varies depending on the Member State in which operators carry out export formalities for their goods.

3. Council Regulations (EEC) Nos 1031/81 and 1014/81 of 17 February 1981 implementing Decisions of the EEC-Switzerland and EEC-Austria Joint Committees - Community transit

(OJ Nos L 107 and L 108 of 18.4.1981, p. 1)

1/80 : Greek text of the Agreements with Switzerland and Austria

2/80 : amendments resulting from the amendment to the Community rules (introduction of a simplified procedure for carriage by combined rail/road transport using large containers).

3/80 : additional protocol T2 GR.

4. Council Regulation (EEC) No 1468/81 on mutual assistance between the administrative authorities of the Member States and cooperation between the latter and the Commission to ensure the correct application of the Community Regulations on customs or agricultural matters.

(OJ No L 144 of 2.6.1981, p. 1)

The purpose of this regulation is to lay down at Community level an administrative cooperation system to ensure the proper recovery of customs charges and the prevention, detection and repression of infringements of customs regulations.

5. Council Regulation (EEC) No 1681/81 of 11 June 1981 amending Regulation (EEC) No 616/78 on proof of origin for certain textile products falling within Chapter 51 or Chapters 53 to 62 of the Common Customs Tariff and imported into the Community, and on the conditions for the acceptance of such proof.

(OJ No L 169 of 26.6.1981)

PRIORITIES FOR THE COMMISSION IN 1982 AND  
RESULTS OBTAINED IN 1981

1. REGULATORY COMMITTEES

1.1 Measures taken by the various regulatory committees with a view to ensuring uniform application of Community secondary legislation in customs matters resulted in the adoption in 1981 of several regulations and directives.

These are texts which were marked out for adoption in Annex III to the 1981 programme. They are aimed at completing the harmonization of customs legislation on the basis of the guidelines given by the Council and also concern the administration of the provisions already harmonized. The texts which were adopted are given in List A below.

1.2 The Commission intends to pursue and increase its activities within the committees in question, both by means of permanent measures involving the administration of Community regulations and by initiatives aimed at improving such administration.

In the course of these activities much use is made of the so-called "administrative arrangements" procedure, which enables rapid solutions to be found to many specific problems. In 1982 the Commission intends to adopt a number of implementing texts, which are given in List B below.

1.3 The activity of the regulatory committees is not restricted to adopting texts implementing the provisions determined by the Council. Once again these committees provided the appropriate context for the implementation or continuation of administrative cooperation between the customs authorities of the Member States and between these authorities and the Commission.

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Such operation covered in particular the textile field and the fight against fraud, and this will continue in 1982.

The examination of practical matters in these committees helps the relevant authorities in the Member States considerably in the uniform application of Community legislation.

2. STRENGTHENING OF THE COMMUNITY'S POSITION IN INTERNATIONAL CONTEXTS

2.1 As the Community has replaced the Member States with respect to commitments arising out of certain customs conventions and in particular, as the Court indicated in its judgement of 19 November 1975 (case 38-75), commitments entered into in connection with the Customs Cooperation Council, the Commission was anxious to carry on in 1981 with the measures aimed at establishing a common position on customs questions in these international contexts.

2.2 Activity also extended to the work carried out in Geneva under the auspices of the UN in both the relevant Transport Committee (various traffic systems or harmonization of border controls) and the Committee on the Development of Trade (simplification of international trade procedures).

2.3 Moreover, the new commitments entered into by the Community in GATT enabled the Community as such to sit on the Valuation Committee in the Customs Cooperation Council.

2.4 It should be pointed out that the establishment of common positions was made easier in 1981 by the application of the new method introduced on 8 May 1980 for improving conditions for the negotiation of international conventions on customs matters.

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2.5 In 1982 the Commission will continue these activities, some of which should lead to the negotiation or acceptance of certain international conventions (1).

In view of the fact that within the Customs Cooperation Council, the setting-up of the "Harmonized system for the description and codification of goods" was accompanied by a marked speeding-up of technical work, with the result that the structured nomenclature was completed in its entirety, the Commission will make every effort to keep up the active approach which it has adopted so far in relation to this task.

2.6 In addition to the technical problems still to be solved, the Community will have to take up a position on the questions of principle relating to implementation of the harmonized system and its administration at the level of the Customs Cooperation Council and at Community level. The studies now being carried out on these points should be completed in time for the Customs Cooperation Council to take a decision at its meeting in June 1982.

2.7 The Commission also established common positions with the Member States on the harmonization work carried out at international level by the Economic Commission for Europe (ECE, Geneva), the Customs Cooperation Council (CCC) and the International Standards Organization (ISO).

2.8 However, as regards the ratification of the TIR Convention, the delay which has built up in the fulfillment of the legislative procedures of one Member State regrettably put the Community in a difficult position internationally.

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(1) See point B7 of Annex I to this programme

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- 2.9 Pursuant to the mandate from the Council and in accordance with its directives, the Commission will continue to participate in the negotiations now being held in Geneva with a view to drawing up a convention on the harmonization of border controls.
- 2.10 Moreover, the Commission will make unofficial approaches to non-member countries which are contracting parties to the 1972 Convention on containers with a view to obtaining the active and passive support which it will require to initiate a procedure for revising this convention so as to incorporate provisions enabling the Community to become a contracting party and be recognized as forming a single territory. If the approaches prove successful the Commission will recommend that the Council authorize it to take part in the negotiations required for such revision.
- 2.11 The Commission will also have to continue contributing to the work which is now going on in the CCC and the ECE (Geneva) with a view to establishing a link between the various transit procedures in force internationally and may have to ask the Council for a mandate to negotiate the international instrument or instruments which might be considered necessary for this purpose.
- 2.12 Lastly, the Commission will continue its customs work in connection with the renegotiation of the Multifibre Arrangement - where there are numerous customs problems - and the negotiations for the accession of Portugal and Spain, where customs issues are being given priority.

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3. REMOVAL OF BARRIERS TO THE FREE MOVEMENT OF GOODS

The Commission is continuing to take steps to see that the Member States comply with the Treaty and with secondary legislation. As a result of this consistent and discreet Community activity - and thanks also to the excellent cooperation between the customs administrations of the Member States and the Commission's customs departments - most of the legitimate complaints brought to the notice of the Commission are resolved without recourse to the infringement procedure provided for in Article 169 of the Treaty. It should be stressed, moreover, that the vast majority of the cases in respect of which this procedure is initiated do not reach the reasoned opinion stage, while of the cases which do reach that stage only a very small number are referred to the Court of Justice.

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4. CUSTOMS DATA PROCESSING

4.1 1981 saw the launching of a wide-ranging operation in the sphere of customs data processing. At the beginning of the year the consortium of consultants which carried out the study on CADDIA (cooperation in automation of data and documentation for imports, exports and agriculture) presented its final report. The report highlights the importance of speedy and reliable import/export information for the establishment and smooth functioning of Community commercial, industrial, agricultural and development policy. The report also draws attention to the key role of the national customs departments in collecting and transmitting such data. The consultants conclude that current systems involving the use of paper, telex and so on do not match up to Community needs and that consequently new systems based on modern technologies need to be introduced.

The report proposes a ten-year programme for establishing at Community level an infrastructure of installations and departments based on new information technologies to serve the necessary data processing systems; in the meantime the national customs departments and the Commission will set up their own data processing systems, making sure that they are compatible with this infrastructure. The report also proposed short-term individual measures, including customs pilot projects in the fields of Community transit and the speedy exchange of data, in order to deal with specific current problems.

4.2 Lastly, the consultants described the establishment of a computerized Community integrated tariff - on which the Commission has already made a start - as a key component of the development programme, as it will constitute a standardized means of referring to any goods, whether industrial or agricultural, involved in transshipment operations and of establishing which of the different sets of Community arrangements they come under.

4.3 Study of the consultants' recommendations has already begun in close liaison with the Member States.



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The Commission has already decided to act on certain recommendations, but for those which have significant budgetary implications and those requiring more detailed study it intends to put forward proposals to the Council in 1982.

4.4 Work already under way on following up the recommendations of the CADDIA report will be stepped up.

5. MEASURES FOR SIMPLIFYING THE ADMINISTRATION OF THE COMMON CUSTOMS TARIFF AND COMMUNITY CUSTOMS LEGISLATION

5.1 As a result of progress in the Customs Cooperation Council on the establishment of the harmonized system for the description and codification of goods, a start has already been made on transposing the Common Customs Tariff and NIMEXE into the provisionally adopted framework nomenclature. The methods to be followed and the successive stages in the implementation and approval of this transposition - which is a major task - have been determined, covering the process from the drawing up of a preliminary draft by a team of experts to the implementation of the harmonized system, which is planned for 1 January 1985.

5.2 The Commission also maintained in 1981 its activities relating to the reintroduction of Common Customs Tariff duties, the preparation and establishment of the generalized tariff preferences scheme (GSP) and the day-to-day management of the GSP, notably as regards the reserve shares involving around 350 operations per year in respect of quantities drawn or returned.

5.3 In order to facilitate the application of the provisions relating to valuation for customs purposes, a commentary was drawn up for use by customs administrations and those engaged in international trade, concerning the treatment of royalties and licence fees related to the goods being valued.

5.4 In addition, with the entry into force on 1 July 1981 of the Commission Regulation establishing a system of simplified procedures for the determination of the customs value of certain perishable goods, since that date the Commission has been establishing periodic values for customs purposes for 41 varieties of fruit and vegetables imported into the Community.

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5.5 As part of its administrative work, the Commission has made technical adjustments to the tariff specifications contained in agreements to take account of tariff changes resulting from implementation of the Tokyo Round. It has also produced the only document listing for each heading and subheading of the Common Customs Tariff the tariff situation vis-à-vis countries which have concluded agreements with the Community, thus ensuring that the many and complex tariff provisions contained in 22 agreements are interpreted and applied uniformly.

5.6 A second edition was produced of the compendium of Community customs legislation, the first edition of which was very well received by customs administrations and users engaged in international trade.

5.7 Lastly, mention should be made of work carried out in connection with the management of textile agreements and arrangements. Textile goods, most of which are subject to import quotas, are grouped in categories according to their degree of sensitivity at Community level. Given the constant shifting of fashion and the many ways in which any textile article can be presented, depending on its use, numerous problems of classification in the various categories continually arise.

In the most difficult cases, involving disagreements between importers and the customs administrations of the Member States or between the Community authorities and exporting countries, decisions on classification were taken following the delivery of opinions by the Committee on Common Customs Tariff Nomenclature.

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6. WORK ON EXAMINING THE PRACTICAL APPLICATION OF COMMUNITY LEGISLATION

6.1 This work, which began in 1980 with an initial study on Community transit arrangements, produced results in 1981.

6.2 An ad hoc working party led by a Commission representative and comprising in addition four officials from customs administrations of the Member States was set up by the Commission by agreement with the heads of those administrations to examine the application by the Member States of Community customs regulations. The working party, which as an experiment was given the task of studying the rules on Community transit, drew up its report in June 1981, with the proviso that supplementary reports would be needed on the situation in Greece and also possibly in Austria and Switzerland.

7. EDUCATIONAL MEASURES

Since 1979 the Commission, in close liaison with the customs administrations of the Member States, has been helping to train national officials responsible for applying Community law by organizing training seminars for instructors from customs schools in the Member States.

The organization of these seminars has been steadily improved, notably as regards the choice of speakers - who in many cases are instructors from the national customs schools - and the selection of participants. In addition, close attention is paid to the choice of teaching methods.

The Commission intends to continue this scheme, as the highlighting of Community aspects of customs rules in the post-lecture discussions and the feedback into training courses at national level must be regarded as a significant contribution to the image of the customs union formed by young customs officials from the Member States.

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L I S T A

ENACTMENTS BY THE COMMISSION IN 1981 UNDER POWERS DELEGATED TO IT BY THE COUNCIL

These enactments include the following :

COMMON CUSTOMS TARIFF (CCT)

The Commission adopted the texts listed below specifying the tariff classification of certain goods. The Commission also adopted other texts consisting of additions or amendments to the explanatory notes or the compendium of tariff classifications. Once again the textiles sector occupied the Commission's particular attention, as did a series of cases concerned with tariff classification disputes which were brought before the European Court of Justice. Additional measures were also adopted regarding the conditions under which goods are admitted to certain tariff headings ("particular uses"), notably in respect of specific categories of unmanufactured tobacco, imports of which are subject to production of a certificate of identity.

Commission Regulation (EEC) No 299/81 of 29 January 1981 classifying certain products under subheading 15.01 A of the Common Customs Tariff (pig fat).

(OJ No L 33, 5.2.1981)

Commission Regulation (EEC) No 300/81 of 29 January 1981 classifying a certain product under subheading 04.02 A II of the Common Customs Tariff (powder obtained from skimmed milk).

(OJ No L 33, 5.2.1981)

Commission Regulation (EEC) No 333/81 of 4 February 1981 on the classification of goods under Common Customs Tariff heading No 64.01 (boots).

(OJ No L 37, 10.2.1981)

Commission Regulation (EEC) No 341/81 of 6 February 1981 on the classification of goods in subheading 02.02 B II f) of the Common Customs Tariff (goose or duck paletots).

(OJ No L 38, 11.2.1981)

Commission Regulation (EEC) No 550/81 of 25 February 1981 on the classification of goods within subheading 87.07 C I of the Common Customs Tariff (rough-terrain fork-lift trucks).

(OJ No L 56, 3.3.1981)

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Commission Regulation (EEC) No 551/81 of 25 February 1981 on the classification of goods within subheading 90.07 A of the Common Customs Tariff (apparatus for transferring to microfilm information recorded on magnetic tape).  
(OJ No L 56, 3.3.1981)

Commission Regulation (EEC) No 1541/81 of 5 June 1981 amending for the fourth time Regulation (EEC) No 3035/79 (tobacco).  
(OJ No L 151, 10.6.1981)

Commission Regulation (EEC) No 1620/81 of 15 June 1981 on the classification of goods falling within subheading 87.01 B of the Common Customs Tariff ("Timberjack").  
(OJ No L 160, 18.6.1981)

CUSTOMS VALUATION

- Commission Regulation (EEC) No 1577/81 of 12 June 1981 establishing a system of simplified procedures for the determination of the customs value of certain perishable goods.  
(OJ No L 154, 13.6.1981)

In accordance with the powers delegated by the Council under Article 16a of the basic regulation on the customs valuation of goods, the Commission adopted this regulation establishing a simplified procedure for the customs valuation of perishable goods.

- Commission Regulation (EEC) No 1580/81 of 12 June 1981 amending Regulation (EEC) No 1495/80 implementing certain provisions of Articles 1, 3 and 8 of Council Regulation (EEC) No 1224/80 on the valuation of goods for customs purposes.  
(OJ No L 154, 13.6.1981)

This regulation gives the valuation rules to be applied in the case of partial loss of or damage to imported goods before they are released into free circulation. A second amendment deals with the case of successive sales or use before valuation for customs purposes. It is stipulated that the buyer need satisfy no condition other than that of being a party to the contract of sale.

LEGISLATION

- Commission Directive laying down certain provisions for implementing Council Directive 79/695/EEC on the harmonization of procedures for the release of goods for free circulation.  
(O.J. n° ...)

This Directive establishes the practical provisions for implementing the principles in the basic Directive. It will mean a major step, therefore, towards the uniform implementation of this Directive in all the Member States.

- Commission Directive of 13 November 1981 on the calculation of the amount of import duties to be deducted under Article 10 of Directive 76/119/EEC.  
(O.J. n° L 347 of 03.12.1981)

This Directive fixes the rules which have to be applied in order to calculate the amount to be deducted in implementation of Article 10 of the basic directive on outward processing.

- Commission Regulation (EEC) No 1664/81 of 23 June 1981 amending for the eighth time Regulation (EEC) No 223/77.  
(O.J. n° L 166 of 24.6.1981 and O.J. n° L 243 of 26.8.1981)

This Regulation was adopted following a difficult discussion with the IRU, which had stopped issuing the flat-rate guarantee vouchers which had been introduced for the benefit of small-scale transport undertakings in particular. Moreover, by bringing in the possibility of limiting the validity of such vouchers, the Regulation made it possible to maintain this guarantee system, which is used by the large majority of Greek carriers who do not have the financial standing to be able to take advantage of other guarantee systems.

- Commission Regulation (EEC) No 2105/81 of 16 July 1981 amending for the ninth time Regulation (EEC) No 223/77.  
(O.J. n° L 207 of 27.7.1981)

The purpose of this Regulation is to simplify to a large extent the use of the T 5 control copy for multiple consignments.

- Regulations (EEC) Nos 49/81 and 50/81 of 1 January 1981 establishing the necessary mechanisms to ensure the free movement of goods between Greece and the rest of the Community.  
(O.J. n° L 4 of 1.1.1981)

It should also be pointed out that the Commission, in accordance with a special procedure laid down for relief from duty (1), adopted 73 special decisions granting or refusing relief for imports of scientific apparatus.

(1) See Regulation (EEC) n° 1798/75 of the Council of 10 July 1975 on the importation free of Common Customs Tariff duties of educational, scientific and cultural materials  
(O.J. n° L 184 of 15.7.1975)

ANNEX II

L I S T B

MEASURES WHICH THE COMMISSION INTENDS TO ADOPT IN 1982 UNDER POWERS  
DELEGATED TO IT BY THE COUNCIL

These measures include the following :

COMMON CUSTOMS TARIFF (CCT)

Apart from the measures connected with the classification of goods, the Commission feels it would be advisable to coordinate the twenty or so Regulations laying down the conditions under which certain goods are admitted under specified headings or subheadings of the nomenclature ("end-use" system)..

CUSTOMS VALUATION

In accordance with the statement entered in the minutes of the Council meeting at the conclusion<sup>of</sup> which Regulation (EEC) No 1224/80 was adopted, the Commission intends to adopt a regulation on the exchange rates to be applied in the determination of value for customs purposes.

LEGISLATION

In 1982 the Commission will adopt a directive similar to the one adopted in 1981 on the provisions for implementing the Council Directive on the release of goods for free circulation. This Commission Directive will lay down the provisions for implementing the Council Directive on the harmonization of procedures for the export of Community goods.

Similarly, the Commission intends to adopt regulations or directives in 1982 on the implementation of provisions already adopted or to be adopted by the Council with respect to economic arrangements for temporary movement and transit.

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With regard to transit, the Commission intends to pursue and give practical shape to its efforts to simplify combined rail/road transport and rationalize documentation so that the arrangements can be used by traditional methods and by data processing.

It also intends to draw up a text consolidating the numerous implementing Regulations involved.