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An Overview of the Treaty of Accession of Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia to the European Union

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1. Introduction

Six applicant countries - Hungary, Poland, Estonia, the Czech Republic, Slovenia and Cyprus started the accession negotiations on 31 March 1998. On 13 October 1999, the Commission recommended Member States to open negotiations with Romania, the Slovak Republic, Latvia, Lithuania, Bulgaria and Malta.

Negotiations were completed in December 2002 with ten candidate countries: Hungary, Poland, Estonia, the Czech Republic, Slovenia, Cyprus, the Slovak Republic, Latvia, Lithuania and Malta.

In April 2003, in Athens, the Treaty of Accession was signed by the present 15 member states and by the 10 acceding countries.

For the first time in history, EU is incorporating 10 countries at once, while before, the maximum number of countries admitted was limited to 3. For the 10 acceding countries, only one treaty was issued.

The Treaty of Accession comprises two main parts: the first part elaborates the Treaty between the present member states and the candidate countries concerning the accession to the European Union and the second part comprises the Act concerning the conditions of accession of the candidate countries and the adjustments to the Treaties on which the European Union is founded.

The first part of the Treaty of Accession is entitled "*Treaty between the present member states and the 10 candidate states concerning the accession of the 10 candidate states to the European Union*".

The second part of the Treaty of Accession is entitled the "*Act concerning the conditions of accession of the 10 candidate countries and of the adjustments to the Treaties on which the European Union is founded*". This is the largest part of the Treaty of Accession and it is divided in several subchapters. It contains five parts, the annexes of the Treaty of Accession, the Protocols, the Declarations and the Final Act.

The five parts are the following:

1. part one - Principles
2. part two – Adjustments to the Treaties
3. part three – Permanent provisions
4. part four – Temporary provisions
5. part five – Provisions relating to the implementation of this Act

Besides the five parts, there are 18 annexes followed by the ten protocols on different issues. The Final Act comprises: the Text of the Final Act, the Declarations adopted by the Plenipotentiaries and other declarations (44 declarations in total). The Final Act ends with the "Exchange of letter between EU and the candidate countries on an information and consultation procedure for the adoption of certain decisions and other measures to be taken during the period preceding accession".

The content of the five parts, of the protocols and declarations will be developed in the next chapters of this paper.

2. A detailed overview of the Treaty of Accession

As I specified in the previous chapter of this paper, the Treaty of Accession is divided in two main parts: part one comprises the text of the Treaty and part two deals with conditions of accession and the adjustments to the other Treaties of the EU.

Part one, entitled the “*Treaty between the present member states and the 10 candidate countries concerning the accession of the 10 candidate countries to the European Union*” contains the text of the treaty in which the current member states unanimously recognise the need to “continue the process of creating an ever closer union among the peoples of Europe on the foundations already laid”¹. Article 49 of the Treaty on European Union allows any European state to become a member of the Union as long as they wish to and they apply for this, as the current candidate countries did. The Council of European Union, after consulting the Commission and after having the assent of the European Parliament agreed to the admission of the 10 candidate states under special condition of admission and adjustments of the Treaties on which EU is founded.

The *Treaty* has only three articles. Article 1 of the Treaty states that “The Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Poland, the Republic of Slovenia and the Slovak Republic hereby become members of the European Union and Parties to the Treaties on which the Union is founded as amended or supplemented”².

The conditions of admission and the adjustments of the Treaties are written down in the second part of the Treaty of Accession and will be an integral part of the Treaty. Article 2 specifies that all parties in accordance with their national legislation in this matter must ratify the Treaty. The Treaty will enter into force on 1 May 2004 as long as all the parties ratified it. If the Treaty was not ratified by the date of accession, then the Treaty will enter into force for those states that have been successful in the ratification process.

The last article, specifies that the Treaty “drawn up in a single original in the Czech, Danish, Dutch, English, Estonian, Finnish, French, German, Greek, Hungarian, Irish, Italian, Latvian, Lithuanian, Maltese, Polish, Portuguese, Slovak, Slovenian, Spanish and Swedish languages, the texts in each of these languages being equally authentic, shall be deposited in the archives of the Government of the Italian Republic, which will remit a certified copy to each of the Governments of the other Signatory States”³.

¹ Treaty of Accession, AA 2003 final, Brussels, 3 April 2003 (OR. En)

² Treaty of Accession, AA 2003 final, Brussels, 3 April 2003 (OR. En)

³ Treaty of Accession, AA 2003 final, Brussels, 3 April 2003 (OR. En)

The second part of the Treaty of Accession contains all issues negotiated by the present member states and the 10 candidate countries. It is divided in 5 parts, contains the annexes, the Protocols, the Declarations and the Final Act.

The five parts of the Act deal mostly with the different types of provisions, with the exemption of part one that outlines the principles of the accession.

Part one, entitled “Principles” contains 10 articles. The first article presents detailed explanations regarding several terms used in the Act such as “original Treaties”, “present member states”, “the Union”, “the Community”, “new member states”, “the institutions”.

In the next two articles it is clearly stated that the provisions of the original Treaties and the acts adopted by the institutions and the European Central Bank before the accession of the candidate countries shall be binding on these countries. At the same time, the provisions of the “Schengen Protocol” shall be binding from the date of accession for the new member states.

Article 4 states the necessity of the candidate states to participate in the Economic and Monetary Union from the date of accession.

The next several articles state the need for the candidate countries to accede to all the agreements, arrangements, conventions and protocols concluded by the present member states. The new member states shall accede to the agreements and arrangements concluded by the 15 member states relating to the functioning of the Union. They will have to observe the principles and guidelines of the declarations, resolutions or other positions of the European Council and the Council and they will take the necessary measures to implement them accordingly.

All the agreements or conventions concluded or provisionally applied by the Community with third states, international organisations or a national of a third country will be binding for the new member states. The Act specifies also the procedure by which the new member states can become part of these agreements and conventions.

In other words, the new 10 member states will have to take part in the following agreements of the Union:

1. with Belarus, China, Chile, Mercosur and Switzerland
2. with members of African, Caribbean and Pacific Group of states
3. European Economic Area
4. Algeria, Armenia, Azerbaijan, Bulgaria, Croatia, Egypt, FYROM, Georgia, Israel, Jordan, Kazakhstan, Kyrgyzstan, Lebanon, Mexico, Moldova, Morocco, Romania, the Russian Federation, San Marino, South Africa, South Korea, Syria, Tunisia, Turkey, Turkmenistan, Ukraine and Uzbekistan
5. bilateral textile agreements and arrangements with third countries
6. bilateral steel agreements and arrangements with third countries

7. fishery agreements with third countries

Another condition will be for the new member states to withdraw from any free trade agreement with third countries, including Central European Free Trade Agreement as well as from any international fisheries agreements and organisations to which the Community is also a party.

Part two of the Act deals with the adjustments to the Treaties. It is divided in two titles: institutional provisions and other adjustments. The institutional provisions concern the European institutions: European Parliament, the Council, the Court of Justice, the Economic and Social Committee, the Committee of Regions, the Scientific and Technical Committee and the European Central Bank. This section of the Act elaborates the future constituency of the European institutions, the number of members and the financial aspects related to the functioning of the European institutions.

Part three is entitled “permanent provisions” and consists also of two titles: adaptation to acts adopted by the institutions and other provisions. It states that all the necessary adaptations will be made only if there is the need for acts of the institutions prior to accession to be adapted because of the realities imposed by the accession.

Part four is called “temporary provisions” and consist of transitional measures and other provisions. It contains details regarding the functioning of the European institutions, the budgetary provisions, aspects related to the regional policy, other types of financial assistance and the safeguard measures.

Provisions relating to the implementation of the Act are dealt with in part five of the Act. These provisions regard the setting up of the institutions and bodies, the applicability of the acts of the institutions and final provisions.

A more elaborate overview of the provisions in the Act of Accession is presented in the following chapter of the paper.

3. Main provisions of the Treaty of Accession

3.1 Institutional provisions

This part comprises aspects related with the European institutions: the European Parliament, the Council, the Court of Justice, the Economic and Social Committee, the Committee of Regions, the Scientific and Technical Committee and the European Central Bank.

With regard to the European Parliament, for the period 2004-2009, the number of representatives elected in each member state will be the following:

Belgium	24
Czech Republic	24
Denmark	14

Germany	99
Estonia	6
Greece	24
Spain	54
France	78
Ireland	13
Italy	78
Cyprus	6
Latvia	9
Lithuania	13
Luxembourg	6
Hungary	24
Malta	5
Netherlands	27
Austria	18
Poland	54
Portugal	24
Slovenia	7
Slovakia	14
Finland	14
Sweden	19
United Kingdom	78
Total	732

Starting with 1 November 2004, where Council is required to act by qualified majority, the votes will be distributed as follows:

Belgium	12
Czech Republic	12
Denmark	7
Germany	29
Estonia	4
Greece	12
Spain	27
France	29
Ireland	7
Italy	29
Cyprus	4
Latvia	4
Lithuania	7
Luxembourg	4
Hungary	12
Malta	3
Netherlands	13
Austria	10
Poland	27
Portugal	12

Slovenia	4
Slovakia	7
Finland	7
Sweden	10
United Kingdom	29
Total	321

The acts of the Council in order to be adopted will require 232 votes in favour cast by a majority of the members where the Treaty requires them, otherwise cast by at least two-thirds of the members. A member of the Council may request verification that the member states constituting the qualified majority represent at least 62% of the total population of the Union. The threshold for the qualified majority will be 71% for a Council with 300 votes, in the situation of the 10 candidate countries not acceding, and 72,27% for an EU of 25 member states.

The provisions regarding the Court of Justice state that every three years, when the judges are partially replaced, thirteen and twelve judges shall be replaced alternately. The Court of Justice will consist of twenty-five judges.

The number of members of the Economic and Social Committee will be the following:

Belgium	12
Czech Republic	12
Denmark	9
Germany	24
Estonia	7
Greece	12
Spain	21
France	24
Ireland	9
Italy	24
Cyprus	6
Latvia	7
Lithuania	9
Luxembourg	6
Hungary	12
Malta	5
Netherlands	12
Austria	12
Poland	21
Portugal	12
Slovenia	7
Slovakia	9
Finland	9
Sweden	12
United Kingdom	24
Total	317

The number of members of the Committee of Regions will be the following:

Belgium	12
Czech Republic	12
Denmark	9
Germany	24
Estonia	7
Greece	12
Spain	21
France	24
Ireland	9
Italy	24
Cyprus	6
Latvia	7
Lithuania	9
Luxembourg	6
Hungary	12
Malta	5
Netherlands	12
Austria	12
Poland	21
Portugal	12
Slovenia	7
Slovakia	9
Finland	9
Sweden	12
United Kingdom	24
Total	317

As regards the Scientific and Technical Committee, it will consist of thirty-nine members, appointed by the Council after consultation with the Commission.

The Protocol on the Statute of the European System of Central Banks and of the European Central Bank annexed to the Treaty establishing the European Community will be supplemented with another article stating that “Upon one or more countries becoming Member States and their respective national central banks becoming part of the ESCB, the subscribed capital of the ECB and the limit on the amount of foreign reserve assets that may be transferred to the ECB shall be automatically increased. The increase shall be determined by multiplying the respective amounts then prevailing by the ratio, within the expanded capital key, between the weighting of the entering national central banks concerned and the weighting of the national central banks already members of the ESCB”⁴.

⁴ Article 17, Chapter 7, *The European Central Bank, Act of Accession, Treaty of Accession, AA 2003 final*, Brussels, 3 April 2003 (OR. En)

In the “Other adjustments” section it is specified that “this Treaty shall apply” to all current and new member states.

All European institutions will make the necessary adaptations in their Rules of Procedure, in order to incorporate the provisions of the Treaty of Accession.

With regard to the composition of Commission, any new member state will be entitled to have a commissioner. The new members of the Commission will be appointed by the Council acting by qualified majority and by common accord with the President of the Commission. The new Commission will assume office on 1 November 2004 and will expire on 31 October 2009.

Following enlargement, ten judges will be appointed to the Court of Justice and ten judges to the Court of First Instance. For the Court of Justice, five of the judges will be appointed until 6 October 2006, while the other five will be appointed until 6 October 2009. In the case of Court of First Instance, the term of office of five judges will expire on 31 August 2004 and the term of office for the other judges will expire on 31 August 2007.

The Court of Auditors will have ten new members for a six years term.

The Economic and Social Committee will be enlarged with 95 members representing different economic and social components of the civil society in the new member states. Their term of office will expire at the same time as those of the members in office at the time of accession.

The Committee of Regions will receive 95 new members representing regional and local bodies in the new member states. The term of office will expire at the same time as those of the members in office at the time of accession.

As regards the Scientific and Technical Committee, the term of office of the current members will expire on the date of entry into force of the Act of Accession. A new staff for the Scientific and Technical Committee will be appointed by the Council after enlargement.

The term of office of the new members of all the other Committees, groups and bodies created by the Treaties will expire at the same time as those of the members in office at the time of accession.

Title II of part five is entitled “Applicability of the Acts of the Institutions” and specifies that upon accession, the new member states will have to address the directives and decisions within the meaning of Article 249 of the EC Treaty and of Article 161 of the Euratom Treaty. In the same time, they will have to put into effect the measures necessary for them to comply with the provisions of the mentioned articles.

If a new member state has a substantiated request regarding the acts of the institutions, the Council, acting unanimously on a proposal from the Commission, may before 1 May 2004, grant temporary derogations.

The Italian Government will have to remit to the new member states certified copies of all the Treaties adopted at EU level, in national languages of the new member states, together with certified copies of the international agreements deposited in the archives of the General Secretariat of the Council of the EU.

3.2 Permanent provisions

This third part of the Act of Accession comprises “Adaptations to acts adopted by the institutions” and “Other provisions”.

All the adaptations made necessary by accession will be drawn up according to the procedures laid down in article 57 of the Act of Accession⁵.

Adaptations to the provisions of the Act relating to the common agricultural policy that might be necessary will be made by the Council acting unanimously on a proposal from the Commission and after consulting the European Parliament. Such adaptations may be made before the date of accession.

3.3 Temporary provisions

The first derogation in this section refers to the number of seats in the European Parliament that the new member states will have from the date of accession until the beginning of the 2004-2009 term of the European Parliament. The representatives of the new member states will be appointed by the parliaments of the states themselves, in accordance with the national procedures.

The next article deals with the provisions regarding the Council. When the Council has to act by a qualified majority, until 31 October 2004, the votes will be distributed as follows:

Belgium	5
Czech Republic	5
Denmark	3
Germany	10
Estonia	3
Greece	5
Spain	8

⁵ Article 57: “Where acts of the institutions prior to accession require adaptation by reason of accession, and the necessary adaptations have not been provided for in this Act or its Annexes, those adaptations shall be made in accordance with the procedure laid down by paragraph 2. Those adaptations shall enter into force as from accession. Paragraph 2: The Council, acting by a qualified majority on a proposal from the Commission, or the Commission, according to which of these two institutions adopted the original acts, shall to this end draw up the necessary texts.” Act of Accession, Treaty of Accession, AA 2003 final, Brussels, 3 April 2003 (OR. En)

France	10
Ireland	3
Italy	10
Cyprus	2
Latvia	3
Lithuania	3
Luxembourg	2
Hungary	5
Malta	2
Netherlands	5
Austria	4
Poland	8
Portugal	5
Slovenia	3
Slovakia	3
Finland	3
Sweden	4
United Kingdom	10
Total	124

For the adoption of the acts, the Council will need 88 votes in favour when the Treaty require this, or 88 votes in favour cast by at least two-thirds of the members, in other cases.

In the event that less then ten new member states accede to the Union, the threshold for the qualified majority for the period until 31 October 2004 will be a close as possibly to 71,26% of the total number of votes.

Article 27 includes a reference to the “Common Customs Tariff duties and other duties” that will include the customs duties calculated on the basis of the rates resulting from the Common Customs Tariff and any tariff concession relating thereto applied by the Community in the new member states’ trade with third countries.

In 2004, the harmonised VAT assessment base and the GNI base of each new member state shall be equal to two-thirds of the annual base. In order to calculate the frozen rate for 2004, the capped VAT bases of the new member states shall be calculated on the basis of two-thirds of their uncapped VAT base and two-thirds of their GNI.

The next four articles comprise the budgetary provisions.

The general budget of the European Communities for the financial year 2004 will take into consideration the accession of the candidate countries and it will be an amended budget that shall enter into effect on 1 May 2004. After accession, the new member states will be full participants in the financing of the EC budget.

The amount of money (VAT and GNI based resources) that the new member states will have to pay for 2004 as well as the retroactive adjustment of the monthly twelfths for the period January - April 2004 that the current member

states will have to pay, will be divided by 8/12 instead of 12/12 during the period May - December 2004.

In the Presidency Conclusions from the Brussels Summit from 24-25 October 2002 and Copenhagen European Council from 12-13 December 2002, the current member states agreed that the new member states would receive temporary budgetary compensations to ensure that they do not become net payers immediately after accession. The reason behind this decision is that after accession, the new member states will have to pay full contributions to the EU budget immediately, while the budgetary impact in the new member states of some structural and agricultural policy support measures will only have results in long term. If the forecasted cash flow balance with the Community's budget compared to the year 2003 is negative for individual candidate countries in the years 2004-2006, then they will receive temporary budgetary compensations. This compensations will include lump-sum, digressive and temporary payments on the expenditure side of the EU budget.

The Community will have to pay the Czech Republic, Cyprus, Malta and Slovenia, as an item of expenditure under the general budget, 1/8 in 2004 starting with the date of accession and 1/12 in 2005 and 2006 of the following amounts of *temporary budgetary compensations*:

	2004	2005	2006
	(EUR million, 1999 prices)		
Czech Republic	125,4	178,0	85,1
Cyprus	68,9	119,2	112,3
Malta	37,8	65,6	62,9
Slovenia	29,5	66,4	35,5

Under the general expenditure under the general budget, the Community will pay the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia 1/8 in 2004 and 1/12 in 2005 and 2006 of the following amounts of a special *lump-sum cash-flow facility*:

	2004	2005	2006
	(EUR million, 1999 prices)		
Czech Republic	174,7	91,55	91,55
Estonia	15,8	2,9	2,9
Cyprus	27,7	5,05	5,05
Latvia	19,5	3,4	3,4
Lithuania	34,8	6,3	6,3
Hungary	155,3	27,95	27,95
Malta	12,2	27,15	27,15
Poland	442,8	550,0	450,0
Slovenia	65,4	17,85	17,85
Slovakia	63,2	11,35	11,35

Part of the compensations granted to Poland (1 billion EUR) and Czech Republic (100 million EUR) will be taken into account for the calculation of the distribution of the structural funds for the period 2004-2006.

Some of the new member states will have to pay to the Research Fund for Coal and Steel the following amounts of money:

(EUR million, current prices)

Czech Republic	39,88
Estonia	2,5
Latvia	2,69
Hungary	9,93
Poland	92,46
Slovenia	2,36
Slovakia	20,11

This money will be paid in four instalments starting in 2006 and ending in 2009 as follows:

2006: 15%
2007: 20%
2008: 30%
2009: 35%.

Under the 2004 budget, no financial commitments for any program or agency may be made before the accession of the new member states has taken place.

Articles 32-34 develop aspects related to the regional policy. It is stated that after 31 December 2003, no financial commitments shall be made under the Phare program, the Phare Cross-Border Co-operation program, pre-accession funds for Cyprus and Malta, the ISPA program and the SAPARD program.

The expenditure under the European Agricultural Guidance and Guarantee Fund, Guarantee Section will become available after accession. But no financial commitments shall be made in relation to expenditure for rural development under the European Agricultural Guidance and Guarantee Fund, Guarantee Section, on the basis of support for rural development from the European Agricultural Guidance and Guarantee Fund.

Under the Phare program, the Phare CBC program and the pre-accession funds for Cyprus and Malta, the tendering, contracting, implementations and payments for pre-accession assistance will be managed by implementing agencies in the new member states from the date of accession.

The last programming exercise for the pre-accession assistance will take place in the last full calendar year preceding accession. In order to ensure the phasing-out of the pre-accession financial instruments, the Commission will take

measures to ensure that the staff is maintained in the new member states for a maximum of fifteen months after accession.

Another type of financial assistance provided by the Union will take the form of “*Transition Facility*”. This facility will be granted between the date of accession and the end of 2006 and will be directed towards the developing and strengthening of the administrative capacity of the new member states “to implement and enforce Community legislation and to foster exchange of best practices among peers”. The assistance will be directed to certain areas that cannot be financed by the Structural Funds. The amount of money available for the Transition Facility, at 1999 prices, will be EUR 200 million in 2004, EUR 120 million in 2005 and EUR 60 million in 2006. The annual appropriations shall be authorised by the budgetary authority within the limits of the financial perspective.

Under the Transition Facility, a “*Schengen Facility*” will be created to help the new member states to finance actions at the new external borders of the Union for the implementation of the Schengen acquis and external border control. The beneficiary state will be responsible for selecting and implementing individual operations. They will also have to submit reports to the Commission on the financial execution of the assistance.

From the date of accession, under the Schengen Facility, the following member states will receive the listed amounts of money in the form of lump sum grant payments:

	2004	2005	2006
	(EUR million, 1999 prices)		
Estonia	22,9	22,9	22,9
Latvia	23,7	23,7	23,7
Lithuania	44,78	61,07	29,85
Hungary	49,3	49,3	49,3
Poland	93,34	93,33	93,33
Slovenia	35,64	35,63	35,63
Slovakia	15,94	15,93	15,93

3.4 Safeguard measures

Title II of part four, entitled “other provisions” contains six articles. The first article (article 37) states that “until the end of a period of up to three years after accession, difficulties arise which are serious and liable to persist in any sector of the economy or which could bring about serious deterioration in the economic situation of a given area, a new Member State may apply for authorisation to take protective measures in order to rectify the situation and adjust the sector concerned to the economy of the common market”⁶. Not only new member states can apply protective measures but also any present member state can apply for

⁶ Article 37, Act of Accession, Treaty of Accession, AA 2003 final, Brussels, 3 April 2003 (OR. En)

authorisation to take similar measures with regard to one or more of the new member states.

The measures that the Commission may authorise may involve derogations from the rules of the EC Treaty and from the Act of Accession and these measures will be limited in time as long as the problems persist.

Article 38 refers to the potential inability of a new member state to fulfil the commitments taken during the accession negotiations. Until the end of a period of up to three years after the date of accession, the state can take appropriate measures. The correction measures shall disturb as little as possible the functioning of the internal market and the application of the existing sectoral safeguard mechanisms. The safeguard clause can be invoked even before accession and can enter into force on the date of accession.

In the field of mutual recognition in the area of criminal law and in civil matters, any problems in the implementation, transposition and application of the decisions can be addressed by the Commission with appropriate measures, until the end of a period of up to three years after the date of entry into force of the Act of Accession. This safeguard clause can be invoked even after accession.

The new member states are also granted a transitional measure in the area of agricultural markets, in order to support the transition from the existing regime in the new member states to that resulting from the application of the common agricultural policy. The transition period is for three years following the date of accession but can be extended by the Council, acting unanimously. The same situation and procedures will apply in the case of the application of the Community veterinary and phytosanitary rules in the new member states. In this case thou, the application of the transitional arrangement is limited to three years after the date of accession.

4. Annexes

The next main subdivision of the Act comprises the annexes to the Treaty. There are 18 annexes, out of which ten annexes comprise of detailed transitional measures granted to each candidate country listed on chapters of negotiations.

The first annex is a list of provisions of the Schengen acquis as integrated in the framework of the European Union and the acts building upon it or otherwise related to it, that is going to be binding on and applicable in the new member states from the date of accession according to the article 3 of the Act of Accession.

The second annex comprises of elements referring to the adaptations to acts adopted by the institutions according to the article 20 of the Act. The elements are divided according to the chapters of negotiations.

Annex 3 refers to acts of the institutions prior to accession, which require adaptation by reason of accession. As long as these adaptations have not been provided in the Act, they will be made by “the Council acting by a qualified majority on the proposal from the Commission, or the Commission according to which of these two institutions adopted the original acts, shall to this end draw up the necessary texts”⁷. The Annex presents several chapters of negotiations where the above procedure shall apply: freedom of movement of persons, agriculture, fisheries, statistics and regional policy and co-ordination of structural instruments.

The annexes that follow contain a detailed description of the transitional arrangements, derogations, exemptions and special provisions each candidate country got during accession negotiations. The content of these annexes will be developed later on in this paper.

5. Protocols

Protocol no 1 on amendments to the Statute of the European Investment Bank

This protocol contains information referring to different aspects of the structure, functioning and finance of the European Investment Bank. The Protocol states that all 25 member states will be members of the EIB. The capital of the Bank will be EUR 163 727 670 000 subscribed by the member states differently. The structure of the EIB will be the following: the Board of Directors will consist of twenty-six directors and sixteen alternate directors. The directors will be appointed by the Board of Governors for five years, one nominated by each member state, and one nominated by the Commission. The alternate directors will be appointed by the Board of Governors for five years. Each member state will have a different number of alternate directors: the big members states (Germany, France, Italy and UK) will have two alternates nominated, while the other countries, grouped in pairs of two or three, will have one alternate nominated (Spain and Portugal one alternate; Belgium, The Netherlands and Luxembourg one alternate; Denmark and Ireland one alternate; Austria, Finland and Sweden one alternate). The new member states will have together three alternates nominated. The Commission will have an alternate nominated also.

The decisions of the Board of Directors will be taken by at least one third of the members entitled to vote representing at least fifty per cent of the subscribed capital. A qualified majority shall require eighteen votes in favour and sixty eight per cent of the subscribed capital.

The transitional measures incorporated in the Protocol presents the amounts of money which the new member state will have to pay corresponding to their share of the capital paid in for the subscribed capital. The contribution will be paid in eight equal instalments starting with 2004. The new member states will have to

⁷ Treaty of Accession, AA 2003 final, Brussels, 3 April 2003 (OR. En)

contribute, in eight equal instalments, to the reserves and provisions equivalent to reserves.

Protocol no 2 on the restructuring of the Czech steel industry

The Czech Republic can grant state aid for the period 1997-2003 for restructuring purposes to specific parts of the Czech steel industry. The process of restructuring shall be completed by 31 December 2006. The Protocol presents a list of companies that are entitled to benefit from state aid as long as they will keep their composition for the whole period. In case of mergers or take-overs, the company will lose the right to receive state aid. The state aid will be granted only once. The Czech Republic, during 1997-2003, can grant state aid up to a maximum limit specified in the Protocol. For the purpose of restructuring, the net capacity reduction to be achieved in the Czech Republic for finished products during 1997-2003 will be 590 000 tonnes. The Czech Republic will remove trade barriers in the coal market so that national steel companies will be able to gain access to coal international market prices.

The Protocol underlines also important aspects from the business plan for several benefiting companies such as: Nova Hut, Vitkovice Steel, Valcovny Plechu Frydek Mistek (VPFM). Any change that might appear in the individual restructuring plans should be agreed by the Commission and where necessary, by the Council.

The Commission and the Council will monitor closely the implementation of the restructuring measures, and will conduct independent evaluations in 2003, 2004, 2005 and 2006.

The Czech Republic will supply the Commission with 6 monthly reports concerning the restructuring of the benefiting companies, the overall situation of the Czech steel sector including recent macroeconomic developments. If the conditions for granting state aid for restructuring purposes are not fulfilled, the transitional arrangements provided by this Protocol will not have effect.

Protocol no 3 on the sovereign base areas of the United Kingdom of Great Britain and Northern Ireland in Cyprus

By this Protocol, the Treaty establishing the European Community will be replaced. The Treaty shall not apply to the UK sovereign Base Areas of Akrotiri and Dhekelia in Cyprus. The Sovereign Base will be included in the customs territory of the Community. A list of acts on turnover taxes, excise duties and other forms of indirect taxation listed in the annex of the Protocol will apply to the Sovereign Base Areas. The persons resident or employed in the territory of the sovereign Base Areas will be treated as if they were resident or employed in the territory of Cyprus. Cyprus will not carry out checks on persons crossing their land and sea boundaries with the Sovereign Base Areas, while UK will exercise controls on persons crossing the external borders of the Base.

UK will be responsible for the implementation of the Protocol in the Sovereign Base Areas while Cyprus will be responsible for the administration and payment of any Community funds to which persons in the Base may be entitled pursuant to the application of the common agricultural policy.

The Commission will report to the European Parliament and the Council every five years on the implementation of the provisions of the Protocol.

Protocol no 4 on the Ignalina nuclear power plant in Lithuania

Lithuania commits to the closure of Unit 1 of Ignalina nuclear power plant before 2005 and of Unit 2 by 31 December 2009. During 2004-2006, the Community will provide Lithuania with additional financial assistance in order to support the closing of the plant. This assistance is called Ignalina Program and will cover different aspects starting with environmental measures, continuing with enhancing of energy supply and improving energy efficiency in Lithuania and ending with support for the employees of the plant.

The financial assistance granted will be managed by the European Bank for Reconstruction and Development. Any public aid from national, Community and international sources is allowed as long as it is compatible with the internal market.

Lithuania will receive financial assistance beyond 2006 taking into consideration the huge financial burden of the closure of the plant for Lithuania.

If energy supply is disrupted in Lithuania, the general safeguard clause presented in art. 37⁸ of the Act will be apply until 31 December 2012.

Protocol no 5 on the transit of persons by land between the region of Kaliningrad and other parts of the Russian Federation

The Community will assist Lithuania in implementing the rules and arrangements, in managing the transit of persons between the region of Kaliningrad and the other parts of the Russian Federation in order to permit full participation of Lithuania in the Schengen area as soon as possible.

Any further decision concerning the transit of persons in this area will be adopted by the Council acting unanimously on a proposal from the Commission.

Protocol no 6 on the acquisition of secondary residences in Malta

Malta may maintain in force the rules on acquisition and holding of residences for secondary purposes by nationals of member states who have not legally reside in Malta for at least five years. Malta will apply the authorisation procedure

⁸ Art. 37: "If, until the end of a period of up to three years after accession, difficulties arise which are serious and liable to persist in any sector of the economy or which could bring about serious deterioration in the economic situation of a given area, a new Member State may apply for authorisation to take protective measures in order to rectify the situation and adjust the sector concerned to the economy of the common market." Act of Accession, Treaty of Accession, AA 2003 final, Brussels, 3 April 2003 (OR. En)

for the acquisition of secondary residences, which will not differentiate between nationals of Malta and of other member states.

Protocol no 7 on abortion in Malta

Malta may maintain its national legislation relating to abortion.

Protocol no 8 on the restructuring of the Polish steel industry

Poland is allowed to grant state aid for restructuring purposes as long as the measures are compatible with the common market. The restructuring of the steel industry must be done by 31 December 2006. Only a limited numbers of companies, listed in the annex attached to the Protocol, will be entitled to receive state aid. If the company is the subject of a merger or take-over, the new formed company is not entitled to receive state aid. The Protocol includes the business plans of the companies that are going to receive state aid. Nevertheless, the state aid granted between 1997-2003 is limited to a certain amount of money. After 2006, Poland will grant no state aid for the restructuring of the steel industry.

During 1997-2006, Poland must reduce the net capacity for finished products to 1 231 000 tones. The capacity reduction will be measured only on the basis of permanent closure of production facilities by physical destruction.

The Protocol contains important aspects to be achieved in particular business plans of the benefiting companies. If there are modifications of the restructuring plans, these must be agreed by the Commission and when necessary by the Council.

The Commission and the Council will follow closely the process of restructuring and the implementation of the measures until the end of the restructuring period. Independent evaluations will be concluded every year starting with 2003 and ending in 2006. Meantime, Poland will submit to the Commission reports concerning the developments in this area every 6 months. The reports will contain information necessary to monitor the restructuring process, the state aid and the reduction and use of capacity.

If the conditions for transitional arrangements contained in the Protocol have not been fulfilled, if the conditions specified in the Europe Agreement regarding the extension of the period during which Poland may grant state aid have not been fulfilled or if Poland has granted additional incompatible state aid to the steel industry, than the transitional arrangements from this Protocol will have no effect.

Protocol no 9 on Unit 1 and Unit 2 of the Bohunice V1 nuclear power plant in Slovakia

Slovakia commits to close Unit 1 of Bohunice V1 Nuclear Power Plant by 31 December 2006 and Unit 2 by 31 December 2008. Between 2004-2006 the Community will provide additional financial assistance in support of its efforts to

decommission and to address the consequences. The financial assistance will be managed by the European Bank for Reconstruction and Development. After 2006, Slovakia can receive further financial assistance only if it is still necessary.

Protocol no 10 on Cyprus

The acquis will not be applied in those areas of Cyprus where the Government of the Republic of Cyprus does not have effective control. The Council acting unanimously on the basis of a proposal from the Commission can decide the application of the EU law to the line between the areas where the Cypriot Government exercises its control and other areas beyond this control.

The boundary between the Eastern Sovereign Base Area and areas where Cypriot Government exercises its control will be treated as external borders of the Sovereign Base Area.

In the event of a settlement, the Council acting unanimously on the basis of a proposal from the Commission will decide on the accession to the EU of the Turkish Cypriot Community.

6. Final Act

This part comprises the text of the Final Act, the Declarations adopted by the Plenipotentiaries, other Declarations and the Exchange of letters. In total there are 44 declarations.

The Text of the Final Act states that the 25 countries, present and future member states have been “assembled at Athens on the sixteenth day of April in the year two thousand and three on the occasion of the signature of the Treaty of Accession”⁹. The Treaty of Accession has been “drawn up and adopted within the Conference between the Member States of the European Union and the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Poland, the Republic of Slovenia, the Slovak Republic concerning the accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Poland, the Republic of Slovenia and the Slovak Republic to the European Union”¹⁰.

The last part of the Final Act includes the section regarding the Exchange of Letters. In this section, two types of letters are posted that can be used for an information and consultation procedure for the adoption of certain decisions and other measures that need to be taken during the period preceding accession.

⁹ Final Act, Treaty of Accession, AA 2003 final, Brussels, 3 April 2003 (OR. En)

¹⁰Final Act, Treaty of Accession, AA 2003 final, Brussels, 3 April 2003 (OR. En)

7. Declarations

The second part of the Final Act comprises of 44 declarations divided in two main categories: declarations adopted by the plenipotentiaries and other declarations. The plenipotentiaries have adopted two declarations: joint declaration – One Europe and joint declaration on the Court of Justice of the European Communities.

Joint declaration: one Europe

The participants from the 25 countries state that “today is a great moment for Europe. We have concluded the accession negotiations between the EU and the ten candidate countries. 75 million people will be welcomed as new citizens of the EU”¹¹. The member states declare their full support for the irreversible enlargement process. Bulgaria and Romania will continue the accession negotiations and “depending on the further progress in complying with the membership criteria, the objective is to welcome Bulgaria and Romania as new members of the EU in 2007”¹². The member states welcome also the decision concerning the next stage of Turkey’s candidature for membership of the EU. The final statement of the declaration is that the aim of the member states is “One Europe”.

Joint declaration on the Court of Justice of the European Communities

If the Court considers, the Council acting unanimously may increase the number of Advocates General. Otherwise, the new member states will be integrated in the current system of the Court.

The section “Other Declarations” contains a number of 42 declarations on different issues. There are joint declaration of all present member states, of various member states, of all new member states, of various new member states and declarations issued by the new member states individually.

Joint declaration on the hunting of brown bears in Estonia

Estonia will have to comply fully with the requirements on the conservation of natural habitats and of wild fauna and flora. By the accession, the latest, Estonia will have to establish a system of strict protection. Although general hunting of brown bears is not allowed, Estonia may allow hunting of brown bears under special circumstances.

Joint declaration by the Czech Republic and the Republic of Austria concerning their bilateral agreement regarding the Temelin Nuclear Power Plant

The Czech Republic and Austria may continue to fulfil their obligations taken on the 29th November 2001 in the “Conclusions of the Melk Process and Follow-up”.

¹¹ Joint Declaration: One Europe, Treaty of Accession, AA 2003 final, Brussels, 3 April 2003 (OR. En)

¹² Joint Declaration: One Europe, Treaty of Accession, AA 2003 final, Brussels, 3 April 2003 (OR. En)

Declaration on rural development

The new member states will receive for the purpose of rural development certain amounts of money as listed in the Declaration.

Declaration on the free movement of workers

There are 9 declaration regarding the free movement of workers for 9 candidate countries: Czech Republic, Estonia, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia, and Slovakia. The member states will grant increased labour market access to Czech, Estonian, Latvian, Lithuanian, Hungarian, Polish, Slovenian and Slovakian nationals under national law. The employment opportunities in the EU for Czech, Estonian, Latvian, Lithuanian, Hungarian, Polish, Slovenian and Slovakian nationals should improve after the accession of these countries. If the accession of Malta will impose difficulties relating to the free movement of workers, the issue will be presented to the institutions of Union in order to be solved.

Declaration on shale oil, the internal electricity market and common rules for the internal market in electricity: Estonia

Estonia will be closely monitored to fulfil its commitments regarding the preparation to the internal energy market. Estonia will have to accelerate the market opening in the electricity and gas sectors. Estonia reserves its position regarding future legislative developments in this area.

The oil shale sector requires particular efforts until the end of 2012 as well as the possibility to open the Estonian electricity market for non-household customers until the same date.

The Commission will closely monitor the development of the electricity production and the changed in the electricity market in Estonia and neighbouring countries. Any member state may from 2009 request the Commission to assess the development of the electricity markets in the Baltic Sea area. After the analysis, the Commission will report to the Council with appropriate recommendations.

Declaration with respect to Estonian and Lithuanian fishing activities in the Svalbard zone

The European Community will maintain sound management based on sustainable conservation and optimal utilisation of fish stocks around Svalbard and Estonia and Lithuania will continue to apply the present system as well.

Declaration on the transit of persons by land between the region Kaliningrad and other parts of the Russian Federation

Lithuania will be assisted by the Community in fulfilling the conditions for full participation in the first group of new member states to participate fully in the Schengen acquis.

Declaration on the development of the Trans-European Network in Slovenia

The Union recalls the importance of transport infrastructure in Slovenia for the development of a trans-European transport network. This aspect will be taken into consideration for further projects.

Joint declaration by the Federal Republic of Germany and the Republic of Austria on the free movement of workers: Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovenia and Slovakia

The phrase “certain regions” in the transitional measures on the free movement of workers contained in the annexes of the Treaty of Accession may, when necessary, also comprise the entire national territory.

Joint declaration by the Federal Republic of Germany and the Republic of Austria on the monitoring of nuclear safety

Germany and Austria stress the importance of continuing the monitoring process on the implementation of the recommendations for the improvement of nuclear safety in the accession countries.

Joint declaration by the Czech Republic, the Republic of Estonia, the Republic of Lithuania, the Republic of Poland, the Republic of Slovenia and the Slovak Republic on art. 38 of the Act of Accession

The candidate countries listed above consider that art. 38¹³ of the Act of Accession covers only the obligations arising from the original Treaties applicable to them. The article will be applied only in cases of alleged violations of the obligations and only after the Commission gave them the opportunity to express their view and position.

Joint declaration by the Republic of Hungary and the Republic of Slovenia on annex X, chapter 7, point 1(a)(ii) and annex XII, chapter 6, point (1)(a)(i) to the Act of Accession

If the transitional period referred to in Article 28(1) of the Sixth VAT Directive is not replaced by a definitive system by mid-2007 and there is no proposal for such a replacement, than Hungary and Slovenia will request a report from the Commission to the Council on the functioning of the transitional arrangement provided in annex X, chapter 7, point 1(a)(ii) and annex XII, chapter 6, point (1)(a)(i) to the Act of Accession.

Declarations by the Czech Republic

¹³ Article 38 “If a new Member State has failed to implement commitments undertaken in the context of the accession negotiations, causing a serious breach of the functioning of the internal market, including any commitments in all sectoral policies which concern economic activities with cross-border effect, or an imminent risk of such breach the Commission may, until the end of a period of up to three years after the date of entry into force of this Act, upon motivated request of a Member State or on its own initiative, take appropriate measures”. Act of Accession, Treaty of Accession, AA 2003 final, Brussels, 3 April 2003 (OR. En)

Czech Republic made three declarations: on transport policy, on workers and on article 35 of the EU Treaty. In the field of transport policy, the current and new member states may progressively exchange cabotage authorisations on the basis of bilateral agreements, including the possibility of liberalisation. A mutual agreement with Germany has been reached on working out the analysis of a cost structure on the basis of which bilateral cabotage quotas could be established starting with 2004.

Regarding the issue of workers, Czech Republic expects that the intentions of the member state to liberalise the access of Czech workers to their labour market based on individual sectors and professions will be subject to bilateral consultations.

The Czech Republic is reserving the right to make provision in its national law regarding Article 35 of the EU Treaty.

Declarations by the Republic of Estonia

There are four declarations made by the Estonia: on steel, on fisheries, on the North-East Atlantic Fisheries Commission (NEAFC) and on food safety. Estonia considers that the importing needs resulting from the expansion of the Estonian steel industry in the near future should be taken into account.

The Commission will work closely with Estonia on the management of the Agreement between the Government of the Republic of Estonia and the Government of the Russian Federation on co-operation in the conservation and management of fish stocks of inland fishery. The interests of Estonia in NEAFC will be from the date of accession representing by the Community.

Estonia will comply fully with the requirements laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety as regard third countries.

Declarations by Republic of Latvia

Latvia made three declarations: on the weighting of votes in the Council, on fisheries and on article 142a of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark.

Latvia reserves its right to address the issue of the weighting of votes in the Council during the next ICG. In the Nice Treaty, Latvia was allocated four votes of a total of 345 votes in the Council as from 1 January 2005.

Regarding the share of Community fishing opportunities to be allocated to member states for stocks, Latvia understands that the fishing opportunities to be allocated in the Baltic Sea refer to the existing management system within IBSFC as it is calculated for the EU-15 and Estonia, Latvia, Lithuania and Poland. Latvia

declares its interest for fishing in the area covered by the North East Atlantic Fisheries Commission.

As for the Community trade mark issue, Latvia considers that the application of this Council Regulation will not preclude prohibiting the use of a Community trade mark in its territory.

Declaration by the Republic of Lithuania

Lithuania declares its interest in continuing its fishery activities in the North East Atlantic Fisheries Commission Regulatory Area after accession to the EU.

Declarations by the Republic of Malta

Declarations of Malta refer to: neutrality, the Island of Gozo, maintenance of VAT zero-rating.

Malta affirms its commitment to the CFSP of the EU, but in the same time confirms that its participation in CFSP does not prejudice its neutrality.

With regard to Gozo, Malta states that “before the end of each Community budgetary period entailing a redefinition of the Community regional policy, Malta may request that the Commission report to the Council on the economic and social situation of Gozo, and in particular, on the disparities in the social and economic development levels between Gozo and Malta”¹⁴. The Commission will propose measures to reduce the disparities between Gozo and Malta. If Malta will not be eligible any longer for certain measures of the regional policy. The Commission should address whether the situation in Gozo requests further help from the regional policy.

Malta is entitled to a transition period until 1 January 2010 for the maintenance of its VAT 0% rate instead of the standard rate of 5% on the supply of foodstuffs and pharmaceuticals, taking into consideration the fact that by that date, the transition period specified in Article 28 (1) of the Sixth VAT Directive would expire.

Declaration by the Republic of Poland

Poland has three declarations regarding: the competitiveness of the Polish production of some fruit, the public morality, and on interpretation of the derogation from the requirements laid down in Directive 2001/82/EC and Directive 2001/83/EC.

If after accession, Poland should encounter difficulties in the area of maintaining the competitiveness of Polish producers of soft fruits, sour cherries and apples, it will be entitled to request urgent application of the general safeguard clause and

¹⁴ Declaration by the Republic of Malta on the Island Region of Gozo (Declaration 36), Final Act, Treaty of Accession, AA 2003 final, Brussels, 3 April 2003 (OR. En)

will request adoption of necessary instruments for removal of the disturbances of the competitiveness in this sector.

No provision in the Treaty on European Union or in the Treaties establishing the European Communities or in the provisions amending or supplementing those treaties can impede the Polish Government to regulate questions of moral significance as well as those related to the protection of human life.

Poland considers that the pharmaceutical products listed in appendix A to Annex XII of the Act of Accession can be marketed in Poland.

Declarations by the Republic of Slovenia

Declarations of Slovenia regard two main aspects: the future regional division of the Republic of Slovenia and the Slovenian indigenous bee *Apis mellifera Carnica*.

Slovenia agrees with the whole territory to be considered as one single region at NUTS 2 level for the period up to the end of 2006.

Slovenia declares that it intends to continue applying all appropriate measures necessary to ensure the preservation of the indigenous bee *Apis mellifera Carnica*.

Declarations by the Commission of the European Communities

The Commission made two declarations: on the general economic safeguard clause, the internal market safeguard clause and the justice and home affairs safeguard clause and on the conclusions of the accession conference with Latvia.

The Commission will apply the internal market and justice and home affairs safeguard clause after will hear the views and positions of the member states that will be directly affected by the application of the two safeguard clauses.

The general economic safeguard clause covers agriculture as well. It can be used when in certain agricultural sectors problems arise, that can induce the deterioration of the economic situation in a given area. Because of specific problems in Poland, "the measures taken by the Commission to prevent market disturbances under the general economic safeguard clause may include systems of monitoring of trade flows between Poland and other member states"¹⁵.

The declaration to the conclusions of the accession negotiations with Latvia includes technical specifications to the treatment of abandoned land.

¹⁵ Declaration by the Commission of the European Communities on the general economic safeguard clause, the internal market safeguard clause and the justice and home affairs safeguard clause, Final Act, Treaty of Accession, AA 2003 final, Brussels, 3 April 2003 (OR. En)

8. Provisions on Schengen acquis

The provisions of the Schengen acquis as integrated in the framework of the European Union, as entitled "Schengen Protocol" and the acts building upon it will be binding on and applicable in the new member states from the date of accession. A list of provisions of the Schengen acquis is annexed to the Act of Accession (Annex I).

The provisions of the Schengen acquis, although are binding for the new member states from the date of accession, they will be only applied in these countries after a Council decision. The Council will verify first if the necessary conditions for the application of the acquis have been fulfilled by the new member states. The Council will consult the European Parliament in taking its decision regarding the application of the Schengen Protocol.

The Council acting with the unanimity of its members, current and new member states, will take the decisions. Ireland and UK will take part in the decision process as long as the provisions of the Schengen acquis to be discussed and agreed upon are those in which these member states participate.

The Agreements concluded by the Council under Article 6 of the Schengen Protocol will be binding for the new member states from the date of accession.

The conventions and instruments in the field of justice and home affairs are inseparable from the attainment of the objectives of the EU Treaty. For this reason, the new member states will have to accede to those conventions and instruments that have been opened for signature by the present member states and to those drawn up by the Council and recommended for adoption. In the same time, the new member states will have to introduce administrative and other types of arrangements, as the current member states, in order to facilitate the practical co-operation between the member states' institutions and organisations working in the field of justice and home affairs.

9. Provisions on Economic and Monetary Union

In the article 4 of the Act of Accession, it is mentioned that the new member states will participate in Economic and Monetary Union from the date of accession. The participation will not be as the one of the current member states already members in EMU but as a derogation within the meaning of the Article 122 of the EC Treaty.

10. General safeguard clauses

In the Treaty of Accession there are specified three main types of safeguard clauses:

- general economic safeguard clause
- internal market safeguard clause
- justice and home affairs safeguard clause

The general economic safeguard clause covers all economic areas, any sector, region or given area in the current and new member states. One of the safeguard clause included in the Accession Treaty allows for recourse by Malta to Community institutions, if Malta's accession give rise to difficulties in relation to free movement of workers.

Article 38 of the Act of Accession is a safeguard clause, which the new member states can use if they fail to implement the commitments undertaken during the accession negotiations. By not being able to implement the commitments, they can cause serious problems to the functioning of the internal market. The Commission upon the request of a member state or on its own initiative should take appropriate measures in order to restore the situation. "Measures shall be proportional and priority shall be given to measures, which disturb least the functioning of the internal market and, where appropriate, to the application of the existing sectoral safeguard mechanisms"¹⁶. The measures shall be maintained no longer than strictly necessary, and, in any case, will be lifted when the relevant commitment is implemented. Taking into consideration the progresses made, the Commission may adapt the measures as appropriate. The Commission will inform the Council in good time before revoking safeguard measures, and it will take into account any observations of the Council in this respect.

The internal market safeguard clause covers all sectoral policies, which address economic activities with cross-border effects. This clause can be applied only by new member states.

The justice and home affairs safeguard covers the mutual recognition in the area of criminal law and in civil matters. This clause can be applied only by new member states.

Article 39 of the act of Accession represents a safeguard clause in the area of justice and home affairs. It states that "if there are serious shortcomings or any imminent risks of such shortcomings in the transposition, state of implementation, or the application of the framework decisions or any other relevant commitments, instruments of co-operation and decisions relating to mutual recognition in the area of criminal law under Title VI of the EU Treaty and Directives and Regulations relating to mutual recognition in civil matters under Title IV of the EC Treaty in a new Member State, the Commission may, until the end of a period of up to three years after the date of entry into force of this Act, upon motivated request of a Member State or on its own initiative and after consulting the Member States, take appropriate measures and specify the conditions and modalities under which these measures are put into effect"¹⁷.

¹⁶ Article 38, Act of Accession, Treaty of Accession, AA 2003 final, Brussels, 3 April 2003 (OR. En)

¹⁷ Article 39, Act of Accession, Treaty of Accession 2003, AA 2003 final, Brussels, 3 April 2003 (OR. En)

The measures taken may take the form of temporary suspension of the application of relevant provisions and decisions in the relations between a new Member State and any other Member State or Member States. The measures shall be maintained no longer than strictly necessary, and, in any case, will be lifted when the shortcomings are remedied.. The Commission may adapt the measures following the results obtained during the implementation period. The Commission will inform the Council in good time before revoking safeguard measures, and it will take into account any observations of the Council in this respect.

All measures under the three safeguard measures may be taken until the end of a three years period after the date of accession, but can remain in force after this period. Any safeguard measures will be maintained as long as it is necessary, until the situation is corrected.

11. ANNEXES

Annex 1. Types of derogations (including transitional arrangements and exemptions)

Country	Cyprus	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Malta	Poland	Slovakia	Slovenia	TOTAL
A.	8	8	13	10	22	17	17	21	14	13	143
B.	12	6	7	13	8	6	10	14	6	4	86
C.	1		1				4	1	1	1	9
D.	2	2	3	8	7	4	17	13	4	4	64
TOTAL	23	16	24	31	37	27	48	49	25	22	302

Types of derogations:

- A. “shall not apply” or “shall postpone” the application of the acquis during a certain period of time
- B. “may maintain” or “shall gradually adjust” the national legislation
- C. “may grant” state aid, financial assistance, etc...
- D. other types (“shall be excluded”, “may exempt”, “may consider”, “shall be notified”, “shall object”, “may set”, “may provide”, “may open”)

N.B: No permanent derogations have been granted to the new member states.

Annex 2. Derogations obtained by the current member states

Chapter 1. Free movement of goods

In the case of **Poland**:

- the member states are not obliged to recognise the certificates issued by the Institute of Medicines for those medical devices defined as “medical materials” under the law of 10 October 1991 (derogation from Article 5 of Directive 90/38/EEC)
- the member states are not obliged to recognise the certificates issued by the Institute of Medicines for those medical devices defined as “medical materials” under the law of 10 October 1991 (derogation from Article 5 (1) of Directive 93/42/EEC)
- the member states are not obliged to recognise the certificates issued by the Institute of Medicines for those medical devices defined as “medical materials” under the law of 10 October 1991 (derogation from Article 5 (1) of Directive 98/79/EC)

Chapter 2. Free movement of persons

For **all candidate countries except Cyprus and Malta**, the member states will apply national measures, or those resulting from bilateral agreements, regulating access to their labour markets by Czech, Estonian, Hungarian, Latvian, Lithuanian, Polish, Slovakian and Slovenian nationals. The transitional period should in principle come to an end after 5 years after the date of accession, but may be extended for a further 2 years period.

Annex 3. The length of the derogations (min and max limits)

Chapter	Cyprus	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Malta	Poland	Slovakia	Slovenia
1	2005					2007	2005-2006	2005-2008		2007
2							2011			
3	2007		2007	2007	2007	2007		2007	2006	2004-2005
4	2009	2009-2011	2011	2009-2011	2011	2011		2009-2016	2011	2011
5										
6	2005			2005-2011			2008-2011	2007-2011	2008-2009	
7	2009	2006-2009	2004-2006	2006-2014	2004-2009	2006-2010	2004-2015	2006-2014	2006	2004-2009
8										
9	2005	2006	2006	2004-2008	2005-2006	2004-2006	2004-2005	2006-2010	2006	
10	2005-2007	2006-2007	2007-2009	2005-2008	2004-2009	2009	2010	2005-2008	2005-2008	2007
11										
12										
13					2004		2004-2006	2005		2005
14	2007	2004-2005	2008-2009		2009	2009	2006	2008	2008	2005
15										
16										
17										
18										
19								2005		
20										
21										
22	2005-2012	2005-2010	2005-2015	2004-2015	2004-2015	2005-2015	2004-2009	2005-2017	2004-2015	2007-2015
23										
24										
25				2007						
26										
27										
28										
29										
30										

Annex 4. Cyprus

Chapter no	Transitional arrangement	Derogation	Exemption	Special provision
1. Free movement of goods		1. <u>Shall remain valid</u> the marketing authorizations for the pharmaceutical products issued under Cypriot law prior to the date of accession (until they are renewed or until 31 Dec 2005)		
2. Free movement of persons				
3. Free movement of services	1. <u>shall not apply</u> the requirements relating to the taking up and pursuit of the business of credit institutions (until 31 Dec 2007) 1. <u>may maintain in force</u> the national legislation on the acquisition of secondary residences (for 5 years from the date of accession)			
4. Free movement of capital				
5. Company law				
6. Competition policy	1. <u>shall be allowed to maintain</u> the benefit of the section undertakings which have acquired the benefit of section 28A of the Cypriot Income Tax Law by 31 Dec 2001 (until 31 Dec 2005)			
7. Agriculture	1. <u>may provide</u> state aid to ensure that the average family income in certain deprived areas does not fall below 80% of the national average family	1. <u>shall apply</u> the ceilings for withdrawal compensation (for 5 years after the date of accession) 2. <u>shall not apply</u> the		

	<p>income (5 years from the date of accession)</p> <p>2. <u>shall not apply</u> the requirements regarding analytical purity for <i>Hordeum vulgare</i> (for 5 years after the accession date)</p> <p>3. <u>may postpone</u> the application of Dir. 2002/53/EC and 2002/55/EC with regard to the marketing in its territory of seeds of varieties listed in its national catalogues (for 5 years after the accession date)</p>	<p>requirements relating to the min fat content of whole milk to drinking milk produced in Cyprus (5 years from the date of accession)</p> <p>3. the application of the stocking density <u>shall be gradually phased in</u> on a linear basis (from the first year after accession to 5 years after accession)</p>		
8. Fisheries				
9. Transport policy		<p>1. <u>shall not apply</u> the requirement of installation and use of recording equipment in vehicles registered for the carriage of passengers or goods by road (until 31 Dec 2005)</p>		
10. Taxation	<p>1. <u>may continue to apply</u> a simplified procedure on VAT for the application of a cash accounting scheme and on the values of supplies between connected persons (until one year after the date of accession)</p>	<p>1. <u>may maintain</u> an exemption with refund of tax paid at the preceding stage on the supply of pharmaceuticals and foodstuffs for human consumption, with the exemption of certain products (until 31 Dec 2007)</p> <p>2. "<u>may maintain</u> a reduced rate of VAT of not less than 5% on the supply of restaurant services (until 31 Dec 2007 or until the end of transitional period)</p>	<p>1. "<u>may exempt</u> from VAT the supply of building land (until 31 Dec 2007)</p> <p>2. <u>may maintain</u> an exemption from VAT on international transport of passengers (until the condition set in Dir. is fulfilled or as long as the same exemption is applied by any of the present member states)</p> <p>3. <u>may apply</u> an exemption from excise duties on mineral oils used for the production of cement (until 1 year after the</p>	

				date of accession) 4. <u>may</u> apply an exemption from additional excise duties on all types of fuel used for local passenger transport (until 1 year after the date of accession)	
11. Economic and Monetary Union					
12. Statistics					
13. Social and employment policy					
14. Energy			1. "the min level of stocks of petroleum products <u>shall not apply</u> " (until 31 Dec 2007)		
15. Industrial policy					
16. Small and medium sized enterprises					
17. Science and research					
18. Education and training					
19. Telecommunication and information technology					
20. Culture and audio-visual policy					
21. Regional policy					
22. Environment			1. <u>shall not apply</u> the requirements for petrol and for diesel fuel (one year from the date of accession) 2. shall attain the recovery and recycling targets for packaging materials (by 31 Dec 2005) 3. <u>shall not apply</u> the requirements for collecting systems and treatment of urban waste water (until 31		

			Dec 2012) 4. shall apply the emission limit values of 1700 mg/Nm ³ to the boilers at the combustion plants at Dhekelia and Vasilikos (until one of the condition specified is materialised)		
23. consumers and health protection					
24. JHA					
25. Custom union					
26. External relations					
27. Common foreign and security policy					
28. Financial control					
29. Financial and budgetary provisions					

Annex 5. Czech Republic

Chapter	Transitional arrangement	Derogation	Exemption	Special provision
1. Free movement of goods				
2. Free movement of persons				
3. Free movement of services				
4. Free movement of capital	<p>1. "may maintain in force" national legislation regarding the acquisition of secondary residencies (for 5 years)</p> <p>2. "may maintain in force" national legislation regarding the purchase of agricultural land and forests (for 7 years + 3 years after the date of accession)</p>			
5. Company law				
6. Competition policy				
7. Agriculture	<p>1. the structural requirements on health conditions for the production and marketing of fresh meat, on health problems affecting the production and placing on the market of fresh poultry meat, on health problems affecting the production and marketing of meat products and certain other products of animal origin, on hygiene and health problems affecting the production and placing on the market of egg products and</p>			

	<p>on health rules for the production and placing on the market of raw milk, heat-treated milk and milk-based products "<u>shall not apply</u> to certain establishments in the Czech Republic" (until 31 Dec 2006)</p> <p>2. "<u>establishments listed may maintain</u> in service cages not meeting the minimum height requirements" (until 31 Dec 2009)</p> <p>3. "<u>may continue</u> to permit the marketing on its territory of feedingstuffs based on the yeast species <i>Candida utilis</i> cultivated on vegetables fibers" (until a decision will be taken or until 2 years after the date of accession)</p>			
8. Fisheries				
9. Transport policy		<p>1. Czech "<u>carriers shall be excluded</u> from the operation of national road haulage services in the other member states" (until the end of second year after the date of accession + 2 years + 1 year)</p> <p>1. "<u>may maintain</u> a reduced rate of VAT of not less than 5% on a) the supply of heat energy used by households and small entrepreneurs who are not registered for VAT for heating and the production of hot water and b) on the</p>		
10. Taxation			<p>1. "<u>may maintain</u> an exemption from value added tax on international transport of passengers" (until the condition in the Directive is fulfilled or for as long as the same exemption is applied by any of the present member</p>	

			supply of construction work for residential housing not provided as part of a social policy (until 31 Dec 2007) 2. " <u>may postpone</u> the application of the overall minimum excise duty equivalent to 57% of the retail selling price and a min of EUR 60 per 100 cigarettes for cigarettes of the price category most in demand" (until 31 Dec 2006) 3. " <u>may postpone</u> the application of the overall min excise duty of EUR 64 on the retail selling price for cigarettes of the price category most in demand" (until 31 Dec 2007) 4. " <u>may postpone</u> the application of the overall min excise duties levied on tobacco products other than cigarettes" (until 31 Dec 2006)	states)	
11. Economic and Monetary Union					
12. Statistics					
13. Social and employment policy					
14. Energy	1. Art 18 of Dir. 98/30/EC on common rules for the internal market in natural gas " <u>shall not apply</u> " (until 31 Dec 2004)		1. "the min level of stocks of petroleum products shall <u>not apply</u> " (until 31 Dec 2005)		
15. Industrial policy					
16. Small and medium sized					

enterprises					
17. Science and research					
18. Education and training					
19. Telecommunication and information technology					
20. Culture and audio-visual policy					
21. Regional policy					
22. Environment			<p>1. "shall attain the recovery and recycling targets for some packaging materials in accordance with special intermediate targets" (until 31 Dec 2005)</p> <p>2. "shall not apply the requirements for collecting systems and treatment of urban waste water" (until 31 Dec 2010)</p> <p>3. shall not apply the emission limit values for sulfur dioxide to boiler K4 of the heating plant Prerov and to boiler K11 of the plant Nova Hut (until 31 Dec 2007)</p>		
23. Consumers and health protection					
24. Co-operation in the field of JHA					
25. Custom union					
26. External relations					
27. Common foreign and security policy					
28. Financial control					
29. Financial and budgetary provisions					

Annex 6. Estonia

Chapter no	Transitional arrangement	Derogation	Exemption	Special provision
1. Free movement of goods				
2. Free movement of persons				
3. Free movement of services		<p>1. <u>shall not apply</u> the min level of guarantee (until 31 Dec 2007)</p> <p>2. <u>shall not apply</u> the min level of compensation (until 31 Dec 2007)</p>		
4. Free movement of capital	<p>1. "may maintain in force" national legislation regarding the purchase of agricultural land and forests (for 7 years + 3 years)</p>			
5. Company law				
6. Competition policy				
7. Agriculture		<p>1. <u>shall be permitted</u> the unlimited use of domestic peat in organic farming (for 18 months from the date of accession)</p> <p>2. <u>shall be permitted</u> the use of potassium permanganate for the treatment of all crops and soil in organic farming (for 18 months from the date of accession)</p> <p>3. <u>shall be permitted</u> the use in organic farming of seed and vegetative propagating material not produced by the organic production method</p>		

			<p>(until 1 January 2006)</p> <p>4. <u>may</u> consider cows of the breeds listed as eligible for the suckler cow premium (until the end of 2006)</p> <p>5. <u>may grant</u> national payments for milk cows up to the level granted in the year before the date of accession (during marketing year 2004/2005)</p>			
8. Fisheries						<p>Shall apply Regulation establishing a Community system for fisheries and aquaculture subject to specific provisions</p>
9. Transport policy			<p>1. Estonian “carriers shall be excluded from the operation of national road haulage services in the other member states” (until the end of second year after the date of accession + 2 years + 1 year)</p>			
10. Taxation			<p>1. “<u>may maintain</u> a reduced rate of VAT of not less than 5% on the supply of heating sold to natural persons, housing associations, apartment associations, churches, congregations and institutions or bodies financed from the state, rural municipality or city budget, as well as on the supply of peat, fuel briquettes, coal and firewood to natural persons (until 30 June 2007)</p>		<p>1. “<u>may maintain</u> an exemption from value added tax on international transport of passengers” (until the condition in the Directive is fulfilled or for as long as the same exemption is applied by any of the present member state)</p>	

			<p>2. <u>may continue to apply</u> the income tax to profits distributed by Estonian subsidiaries to their parent companies established in other member states (as long as it charges income tax on distributed profits without taxing undistributed profits and until 31 Dec 2008)</p> <p>3. "<u>may postpone</u> the application of the overall min excise duty on the retail selling price for cigarettes of the price category most in demand" (until 31 Dec 2009)</p> <p>4. "<u>may postpone</u> the application of the overall min excise duties levied on smoking tobacco" (until 31 Dec 2009)</p>		
11. Economic and Monetary Union					
12. Statistics					
13. Social and employment policy					
14. Energy	1. Art 19 (2) of Dir. 96/92/EC on common rules for the internal market in electricity " <u>shall not apply</u> " (until 31 Dec 2008)		1. "the min level of stocks of petroleum products shall <u>not apply</u> " (until 31 Dec 2009)		
15. Industrial policy					
16. Small and medium sized enterprises					
17. Science and research					
18. Education and training					

19. Telecommunication and information technology				
20. Culture and audio-visual policy				
21. Regional policy				
22. Environment		<p>1. <u>shall not apply</u> the requirements for existing storage installations at terminals (until 31 Dec 2005/ until 31 Dec 2006)</p> <p>2. <u>shall not apply</u> the requirements for loading and unloading of existing mobile containers at terminals (until 31 Dec 2005/ until 31 Dec 2006)</p> <p>3. <u>shall not apply</u> the requirements for loading into existing storage installations at service stations with a throughput smaller than 1000 m³/year (until 31 Dec 2006)</p> <p>4. <u>shall not apply</u> the requirements for liquid and corrosive waste to oil-shale ash put on existing landfills (until 16 July 2009)</p> <p>5. <u>shall not apply</u> the requirements for collecting systems and treatment of urban waste water (until 31 Dec 2010)</p> <p>6. <u>will not apply</u> art. 5(2) and 8 and annex I, part C, of Dir. 98/83/EC on the quality of water intended for human consumption (until 2007/</p>	(geographical exemption) for Lynx lynx (by 1 May 2009)	

			2008/ 2013) 7. shall not apply the emission limit values for sulphur dioxide and dust (until 31 Dec 2010/ until 31 Dec 2015)		
23. Consumers and health protection					
24. Co-operation in the field of JHA					
25. Custom union					
26. External relations					
27. Common foreign and security policy					
28. Financial control					
29. Financial and budgetary provisions					

Annex 7. Hungary

Chapter	Transitional arrangement	Derogation	Exemption	Special provision
1. Free movement of goods				
2. Free movement of persons				
3. Free movement of services	1. <u>shall not apply</u> the initial capital requirements to cooperative credit institutions already established at the date of accession (until 31 Dec 2007)	1. <u>shall not apply</u> the min level of compensation (until 31 Dec 2007)		
4. Free movement of capital	1. <u>may maintain</u> in force the national legislation on the acquisition of secondary residences (for 5 years from the date of accession) 2. " <u>may maintain</u> in force" national legislation regarding the purchase of agricultural land (for 7 years + 3 years)			
5. Company law				
6. Competition policy	1. <u>may apply</u> corporate tax benefits under certain conditions (until 31 Dec 2011...) 2. <u>may apply</u> corporate tax reductions granted prior to 1 January 2003 (up to and including 31 Dec 2005) 3. <u>may apply</u> local business tax reductions of up to 2% of the net receipts of undertakings, granted by local government for a limited			

	<p>period of time (up to and including 31 Dec 2007)</p> <p>1. shall not apply the structural requirements regarding the conditions for production and marketing of fresh meat (until 31 Dec 2006)</p> <p>2. <u>may maintain</u> in service cages not meeting the min requirements for the protection of laying hens (until 31 Dec 2009)</p>	<p>1. shall not apply the requirements relating to fat content to drinking milk (5 years from the date of accession)</p> <p>2. <u>shall be allowed</u> a min natural alcoholic strength of 7,7% vol. for table wines (10 years from the date of accession)</p> <p>3. shall be allowed the used of name "Rizlingszilvani" (until 31 Dec 2008)</p>		
<p>8. Fisheries</p> <p>9. Transport policy</p>	<p>1. Art 10 (3) of Dir 91/440/EEC on the development of the Community's railways <u>shall apply</u> under certain conditions (until 31 Dec 2006)</p>	<p>1. shall not apply the conditions on the limitation of the operation of aeroplanes in respect of aircraft on the register of, and operated by natural or legal persons established in Azerbaijan, Kazakhstan, Moldova, the Russian Federation, Turkmenistan and Ukraine (until 31 Dec 2004)</p> <p>2. Hungarian "carriers <u>shall be excluded</u> from the operation of national road haulage services in the other member states" (until the end of third year after the date of accession + 2 years)</p> <p>3. Hungarian vehicles complying with the limit values of categories 3.2.1.,</p>		

<p>10. Taxation</p>	<p>1. <u>may maintain</u> a reduced rate of value added tax of not less than 5% on the supply of natural gas and electricity (until one year after the date of accession)</p>	<p>3.4.1, 3.4.2, 3.5.1 and 3.5.3 <u>may use</u> non-upgraded parts of road network (until 31 Dec 2008)</p>	<p>1. "<u>may maintain</u> a reduced rate of VAT of not less than 12% on the supply of coal, coal-brick and coke, firewood and charcoal, and on the supply of district heating services (until 31 Dec 2007)</p> <p>2. <u>may maintain</u> a reduced rate of VAT of no less than 12 % on the supply of restaurant services and of foodstuffs sold on similar premises (until 31 Dec 2007 or the end of transitional period in the Dir.)</p> <p>3. "<u>may postpone</u> the application of the overall min excise duty on the retail selling price for cigarettes of the price category most in demand" (until 31 Dec 2008)</p>	<p>1. "<u>may maintain</u> an exemption from value added tax on international transport of passengers" (until the condition in the Directive is fulfilled or for as long as the same exemption is applied by any of the present member states)</p>	
<p>11. Economic and Monetary Union</p>					
<p>12. Statistics</p>					
<p>13. Social and employment policy</p>					
<p>14. Energy</p>					
<p>15. Industrial policy</p>					
<p>16. Small and medium sized enterprises</p>					
<p>17. Science and research</p>					
<p>18. Education and training</p>					

19. Telecommunication and information technology				
20. Culture and audio-visual policy				
21. Regional policy				
22. Environment	<p>1. all shipments to Hungary of waste or recovery and shipments of waste for recovery <u>shall be notified</u> to the competent authorities and processed (until 30 June 2005)</p>	<p>1. shall object to shipments of waste recovery and shipments of waste for recovery destined for a facility benefiting from a temporary derogation. 2. <u>shall attain</u> the recovery and recycling targets for the certain packaging materials (by 31 Dec 2005) 3. may set an overall recycling target of 46% from 2005 onwards 4. <u>shall not apply</u> the requirements for collecting systems and treatment of urban water (until 31 Dec 2015) 5. <u>shall not apply</u> the requirements for biodegradable industrial waste water from plants belonging to the industrial sectors (until 31 Dec 2008) 6. <u>may provide</u> for derogations from the parametric value for arsenic (until 25 Dec 2009) 7. <u>shall not apply</u> the emission limit values and the requirements for measurements to certain</p>		

			incinerators (until 30 June 2005) 8. shall not apply the emission limit values for sulphur dioxide, nitrogen oxides and dust (until 31 Dec 2004)		
23. Consumers and health protection					
24. Co-operation in the field of JHA					
25. Custom union			1. <u>may open</u> a yearly tariff quota for aluminium (until the end of third year after the date of accession or until 31 Dec 2007)		
26. External relations					
27. Common foreign and security policy					
28. Financial control					
29. Financial and budgetary provisions					

Annex 8. Latvia

Chapter	Transitional arrangement	Derogation	Exemption	Special provision
1. Free movement of goods				
2. Free movement of persons				
3. Free movement of services		<p>1. <u>shall not apply</u> the min level of guarantee on deposit – guarantee schemes (until 31 Dec 2007)</p> <p>2. <u>shall not apply</u> the min level of compensation (until 31 Dec 2007)</p>		
4. Free movement of capital	<p>1. <u>may maintain</u> the national legislation regarding the acquisition of agricultural land and forests by nationals of member states and by companies formed in accordance with the law of another member state (for 7 years from the date of accession +3 years)</p>			
5. Company law				
6. Competition policy				
7. Agriculture	<p>1. <u>shall not apply</u> the structural requirements for the production and placing on the market of minced meat and meat preparation (until 31 Dec 2005)</p> <p>2. <u>shall not apply</u> the structural requirements on laying down health rules concerning animal by-products not intended for</p>	<p>1. <u>shall be permitted</u> the use in organic farming of untreated seeds, planting material and propagating material not produced by the organic production method (until 1 January 2006)</p> <p>2. <u>shall be permitted</u> the use of non-organic sugar not produced by the organic</p>		

	<p>human consumption (until 31 Dec 2004)</p> <p>3. <u>may postpone</u> the application of Dir. 2002/53/EC and 2002/55/EC with regard to the marketing in its territory of seeds of varieties listed in its respective national catalogues of varieties of agricultural plant species and varieties of vegetable plant species (for 5 years from the date of accession)</p>	<p>production method as additional bee-feed in organic apiaries (until 1 January 2006)</p> <p>3. <u>shall be permitted</u> the use of potassium permanganate preparation in organic farming (18 months from the date of accession)</p> <p>4. <u>shall not apply</u> the requirements relating to fat content to drinking milk (for 5 years from the date of accession)</p> <p>5. <u>may consider</u> cows of the breeds as eligible for the suckler cow premium (until the end of 2006)</p>		
8. Fisheries				<p>Regulation No 3760/92 <u>shall apply</u> to Malta subject to following specific provisions.</p>
9. Transport policy	<p>1. <u>shall not apply</u> the Dir. 96/26/EC to transport undertakings engaged exclusively in domestic road haulage and passenger transport operations (until 31 Dec 2006)</p>	<p>1. <u>shall not apply</u> the requirements of installation and use of recording equipment in vehicles registered for the carriage of passengers or goods by road (until 1 January 2005)</p> <p>2. carriers shall be excluded from the operation of national road haulage services in the other member states (until the end of second year following the date of accession +2 years +1 year)</p>		
10. Taxation	<p>1. <u>may continue to apply</u> a simplified procedure for</p>	<p>1. <u>may maintain</u> an exemption from VAT on the supply of</p>	<p>1. <u>may maintain</u> an exemption from VAT on services supplied</p>	

	charging value added tax on timber transactions (until 1 year after the date of accession)	heating sold to households (until 31 Dec 2004) 2. <u>may postpone</u> the application of the overall min excise duty on the retail selling price for cigarettes of the price category most in demand (until 31 Dec 2009)	by authors, artists and performers (until the directive is fulfilled or as long as the same exemption is applied by any of the present member states) 2. <u>may maintain</u> an exemption from VAT on international transport of passengers (until the condition is fulfilled or as long as the same exemption is applied by any of the present member states)	
11. Economic and Monetary Union				
12. Statistics				
13. Social and employment policy	1. <u>shall not apply</u> the Dir 89/654/EEC concerning the min safety and health requirements for the workplace in respect of installations already in use on 27 March 2002 (until 31 Dec 2004) 2. <u>shall not apply</u> Dir. 89/655/EEC concerning the min safety and health requirements for the use of work equipment by workers at work, in respect of work equipment already in use on 13 Dec 2002 (until 1 July 2004) 3. <u>shall not apply</u> Dir. 90/270/EEC on the min safety			

		and health requirements for work with display screen equipment, in respect of equipment already in use on 1 June 2001 (until 31 Dec 2004)			
14. Energy			1. "the min level of stocks of petroleum products <u>shall not apply</u> " (until 31 Dec 2009)		
15. Industrial policy					
16. Small and medium sized enterprises					
17. Science and research					
18. Education and training					
19. Telecommunication and information technology					
20. Culture and audio-visual policy					
21. Regional policy					
22. Environment		1. all shipments of waste for recovery <u>shall be notified</u> to the competent authorities (until 31 Dec 2010)	1. <u>shall not apply</u> the requirements for existing storage installations at terminals (until 31 Dec 2005/2006/2008) 2. shall not apply the requirements for loading and unloading equipment at terminals (until 31 Dec 2005/2006/2007/2008) 3. <u>shall not apply</u> the requirements for existing mobile containers at terminals (until 31 Dec 2008) 4. <u>shall not apply</u> the requirements for loading into existing storage installations at service stations (until 31 Dec		

		<p>2004/2008)</p> <p>5. the competent authorities shall object to shipments of waste for recovery</p> <p>6. <u>shall attain</u> the recovery and recycling targets for packaging materials (by 31 Dec 2007)</p> <p>7. a permanent site which is used for temporary storage of hazardous waste generated within Latvia will not be considered as a landfill (until 31 Dec 2004)</p> <p>8. shall not apply the requirements for collecting systems and treatment of urban waste water (until 31Dec 2015)</p> <p>9. <u>shall not apply</u> the values set for bromate, trihalomethanes – total, aluminum, iron, manganese and oxidisability parameters (until 31 Dec 2015)</p> <p>10. shall not apply the requirements for waste containing asbestos fibers or dust (until 31 Dec 2004)</p> <p>11. <u>shall not apply</u> the requirements for the granting of permits for existing installations (until the date indicated for each installation)</p> <p>12. shall not apply the provisions on radiological equipment and on special practices (until 31 Dec 2005)</p>		
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23. consumers and health protection					
24. JHA					
25. Custom union					
26. External relations					
27. Common foreign and security policy					
28. Financial control					
29. Financial and budgetary provisions					

Annex 9. Lithuania

Chapter no	Transitional arrangement	Derogation	Exemption	Special provision
1. Free movement of goods		<p>1. shall remain valid the marketing authorizations for the pharmaceutical products issued prior to accession (until they are renewed or until 1 January 2007)</p> <p>2. shall remain valid the requirements on marketing authorizations for the pharmaceutical products listed (until they are renewed or until 1 January 2007)</p>		
2. Free movement of persons				
3. Free movement of services		<p>1. shall not apply the min level of guarantee on deposit – guarantee schemes (until 31 Dec 2007)</p> <p>2. shall not apply the min level of compensation (until 31 Dec 2007)</p>		
4. Free movement of capital	<p>1. may maintain the national legislation regarding the acquisition of agricultural land and forests by nationals of member states and by companies formed in accordance with the law of another member state (for 7 years from the date of accession + 3 years)</p>			
5. Company law				

<p>6. Competition policy</p> <p>7. Agriculture</p>	<p>1. shall not apply the structural requirements for the production and placing on the market of minced meat and meat preparation (until 31 Dec 2006)</p> <p>2. <u>may postpone</u> the application of Art 7(2) and 7(4) on the control of potatoes ring rot (until 1 January 2006)</p>	<p>1. shall be permitted the use in organic farming of seed and vegetative propagating material not produced by organic production method (until 1 January 2006)</p> <p>2. <u>shall be permitted</u> the use of non-organic sugar for bee-feeding preparations in certified organic apiaries (until 1 January 2006)</p> <p>3. shall not apply the requirements relating to fat content to drinking milk (until 1 January 2009)</p> <p>4. <u>may consider</u> cows of the breeds as eligible for the suckler cow premium (until the end of 2006)</p> <p>5. <u>shall not apply</u> the requirement to pay equitable remuneration to the holder of a Community plant variety (until 31 Dec 2010)</p>	
<p>8. Fisheries</p>			<p>Regulation No 3760/92 shall apply to Malta subject to following specific provisions.</p>
<p>9. Transport policy</p>	<p>1. shall not apply the Dir. 96/26/EC to transport undertakings engaged exclusively in domestic road haulage and passenger transport operations (until 31 Dec 2006)</p>	<p>1. shall not apply the requirements of installation and use of recording equipment in vehicles registered for the carriage of passengers or goods by road (until 1 January 2005)</p> <p>2. <u>shall not apply</u> the</p>	

		conditions regarding the aircraft on the register at Kaunas International Airport (until 31 Dec 2004) 3. carriers <u>shall be excluded</u> from the operation of national road haulage services in the other member states (until the end of second year following the date of accession +2 years +1 year)		
10. Taxation		1. may postpone the application of the overall min excise duty on the retail selling price for cigarettes of the price category most in demand (until 31 Dec 2009)	1. may maintain an exemption from VAT on international transport of passengers (until the condition is fulfilled or as long as the same exemption is applied by any of the present member states)	
11. Economic and Monetary Union				
12. Statistics				
13. Social and employment policy				
14. Energy		1. "the min level of stocks of petroleum products <u>shall not apply</u> " (until 31 Dec 2009)		
15. Industrial policy				
16. Small and medium sized enterprises				
17. Science and research				
18. Education and training				
19. Telecommunication and information technology				
20. Culture and audio-visual policy				

21. Regional policy				
22. Environment		<p>1. shall not apply the requirements for existing storage installations at terminals (until 31 Dec 2007)</p> <p>2. <u>shall not apply</u> the requirements for loading and unloading of existing mobile containers at terminals (until 31 Dec 2007)</p> <p>3. shall not <u>apply</u> the requirements for existing mobile containers at terminals (until 31 Dec 2005)</p> <p>4. shall not apply the requirements for loading into existing storage installations at service stations (until 31 Dec 2007)</p> <p>5. <u>shall attain</u> the recovery and recycling targets for packaging materials (by 31 Dec 2006)</p> <p>6. shall not <u>apply</u> the requirements for collecting systems and treatment of urban waste water (until 31 Dec 2009)</p> <p>7. shall not apply the emission limit values for dioxide and for nitrogen oxides for several combustion plants (until 31 Dec 2015)</p>		
23. consumers and health protection				
24. JHA				
25. Custom union				
26. External relations				

27. Common foreign and security policy				
28. Financial control				
29. Financial and budgetary provisions				

Annex 10. Malta

Chapter no	Transitional arrangement	Derogation	Exemption	Special provision
1. Free movement of goods	<p>1. shall <u>adjust</u> the market in the importation, stocking and wholesale marketing of petroleum products (by 31 Dec 2005)</p> <p>2. shall ensure that trading licenses are issued in time for operations by licensees to commence (1 January 2006)</p>	<p>1. shall <u>remain valid</u> the marketing authorizations for the pharmaceutical products listed and issued before accession (until they are renewed or until 31 Dec 2006)</p>		
2. Free movement of persons	<p>1. <u>may resort</u> to the procedures related to the freedom of movement of workers (until the end of 7 year period after the accession date)</p> <p>2. <u>may retain</u> the work permit system for nationals of other member states (7 years after the date of accession)</p>	<p>1. <u>may derogate</u> from the provisions of Regulation on freedom of movement for workers</p>		
3. Free movement of services				
4. Free movement of capital				
5. Company law				
6. Competition policy	<p>1. <u>may maintain</u> operating aid granted under the fiscal schemes (until 31 Dec 2008)</p> <p>2. <u>may apply</u> corporate tax exemptions (until 31 Dec 2011)</p> <p>3. <u>may grant</u> restructuring aid measures of a max overall amount of MTL 419491000 to</p>			

<p>7. Agriculture</p>	<p>Malta Drydocks and to Malta Shipbuilding Company Limited (from 2002 until the end of 2008)</p> <p>1. the general economic safeguard clause set out in art 37 of the Act of Accession shall be <u>applicable</u> for Malta (up to 5 years after the date of accession)</p> <p>2. the milk establishments listed may receive deliveries of raw milk which do comply with certain conditions (until 31 Dec 2009)</p> <p>3. 12 establishments listed may <u>maintain</u> in service cages not meeting the minimum requirements for the protection of laying hens (until 31 Dec 2006)</p> <p>4. <u>may postpone</u> the application of Dir. 2002/53/EC and 2002/55/EC with regard to the marketing in its territory of seeds of varieties listed in its respective national catalogues of varieties of agricultural plant species (5 years after the accession date)</p>	<p>1. <u>may grant</u> temporary state aid to producers of tomatoes for processing, fresh fruit and vegetables, wine, pigment, milk, poultry and eggs (7 years from the date of accession for animal products and 11 years for crops)</p> <p>2. <u>may grant</u> special temporary state aid to support the purchase of imported agricultural products which before accession benefited from export refunds or which were imported from third countries without duties (7 years from the date of accession)</p> <p>3. the representative fat content of milk delivered shall be <u>determined</u> for Malta after a period of 5 years from the date of accession</p> <p>4. contracts between processors and individual producers shall be <u>eligible</u> for the scheme referred to in art 2 of the Reg. on the common organization of the markets in processed fruit and vegetable products (in the course of marketing years 2004/2005 to 2008/2009)</p>		
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		<p>5. shall not apply the requirements relating to the min fat content of whole milk to drinking milk produced in Malta (for 5 years from the date of accession)</p> <p>6. the application of the stocking density shall be gradually phased in on a linear basis (from the first year to 5 years after accession)</p> <p>7. may maintain the min natural alcoholic strength of wine (until 31 Dec 2008)</p> <p>8. may grant state aid for the ferry transport of agricultural products from Gozo (for 5 years after the accession date)</p>		
8. Fisheries				Regulation No 3760/92 shall apply to Malta subject to following specific provisions
9. Transport policy		<p>1. motor vehicles engaged exclusively in domestic transport operations need not to be equipped with speed limitation devices (until 31 Dec 2005)</p> <p>2. the listed items shall not be tested as regards the following categories of motor vehicles engaged exclusively in domestic transport operations (until 31 Dec 2004)</p> <p>3. shall not apply the min tax rates to vehicles engaged in international transport</p>		

			operations (until 31 Dec 2004) 4. shall not apply the min tax rates to vehicles engaged exclusively in domestic transport operations (until 31 Dec 2005)		
10. Taxation			1. <u>may maintain</u> an exemption with refund of tax paid at the preceding stage on the supply of foodstuffs for human consumption and pharmaceuticals (until 1 January 2010)	1. <u>may maintain</u> an exemption from VAT on inland passenger transport, international transport and domestic inter-island sea passenger transport. 2. <u>may maintain</u> an exemption from VAT without credit for input VAT on the supply of water by public authorities. 3. <u>may maintain</u> an exemption from VAT without credit for input VAT on the supply of buildings and building land.	
11. Economic and Monetary Union					
12. Statistics					
13. Social and employment policy			1. <u>shall not apply</u> the Dir. 89/655/EEC in respect of work equipment already in use on the date of accession (until 1 January 2006) 2. shall not apply the Dir. 93/104/EC on certain aspects of the organisation of working time in the manufacturing sub-sectors of food and beverages, textiles, clothing and footwear, transport equipment, electrical machinery, appliances and		

	supplies and furniture (until 31 July 2004)			
14. Energy			1. "the min level of stocks of petroleum products shall not apply" (until 31 Dec 2006)	
15. Industrial policy				
16. Small and medium sized enterprises				
17. Science and research				
18. Education and training				
19. Telecommunication and information technology				
20. Culture and audio-visual policy				
21. Regional policy				
22. Environment	1. all shipments of waste recovery shall be notified to the competent authorities (until 31 Dec 2005)		<p>1. shall not apply the requirements for loading and unloading equipment at terminals (until 31 Dec 2004)</p> <p>2. shall not apply the requirements for existing mobile containers at terminals (until 31 Dec 2004)</p> <p>3. shall not apply the requirements for loading into existing storage installations at service stations (until 31 Dec 2004)</p> <p>4. shall object to shipments of waste recovery for a facility benefiting from a temporary derogation</p> <p>6. shall attain the overall recovery targets for the packaging material (by 31 Dec 2009)</p>	

		<p>7. shall not apply the requirement not to impede the placing on the market on Malta's territory of packaging which satisfies the provisions (until 31 Dec 2007)</p> <p>8. <u>shall not apply</u> the limit values for discharges of cadmium into the waters (until 31 Dec 2004/ 2006/ 2007)</p> <p>9. shall not apply the limit values for discharges of chloroform into the waters (until 31 Dec 2004/ 2006/ 2007)</p> <p>10. <u>shall not apply</u> the requirements for collecting systems for urban waste water (until 31 Dec 2006)</p> <p>11. <u>shall not apply</u> the requirements for treatment of urban waste water (until 31 March 2007)</p> <p>12. shall not apply the values set for fluoride and nitrate parameters (until 31 Dec 2005)</p> <p>13. <i>Carduelis cannabina, Carduelis serinus, Carduelis chloris, Carduelis carduelis, carduelis spinus, Frigilla coelebs and Coccothraustes coccothraustes</i> <u>may be deliberately captured</u> by traditional nets (until 31 Dec 2008)</p> <p>14. the emission limit value for</p>		
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				dust shall not apply (until 31 Dec 2005)		
23. Consumers and health protection						
24. JHA						
25. Custom union				1. may open yearly tariff quotas for woven fabrics of combed wool or of combed fine animal hair, denim, woven fabrics of artificial filament yarn and other made-up clothing accessories (until the fifth year after accession or 31 Dec 2008)		
26. External relations						
27. Common foreign and security policy						
28. Financial control						
29. Financial and budgetary provisions						

Annex 11. Poland

Chapter no	Transitional arrangement	Derogation	Exemption	Special provision
1. Free movement of goods	<p>1. <u>shall remain valid</u> the certificates for medical devices defined as "medical materials" which entered into force on 1 Oct 2002 (until their expiry or until 31 Dec 2005)</p> <p>2. <u>shall remain valid</u> the certificates for medical devices defined as "medical materials" which entered into force on 1 Oct 2002 (until their expiry or until 31 Dec 2005)</p> <p>3. <u>shall remain valid</u> the certificates for medical devices defined as "medical materials" for in vitro diagnostic which entered into force on 1 Oct 2002 (until their expiry or until 31 Dec 2005)</p>	<p>1. <u>shall remain valid</u> the marketing authorizations for the pharmaceutical products listed relating to veterinary medicinal products and issued prior to accession (until they are renewed or until 1 December 2008)</p> <p>2. <u>shall remain valid</u> the requirements on marketing authorizations for the pharmaceutical products listed relating to medicinal products for human use, issued prior to accession (until they are renewed or until 31 December 2008)</p>		
2. Free movement of persons				
3. Free movement of services	<p>1. <u>shall not apply</u> the initial capital requirement to co-operative credit institutions already established at the date of accession (until 31 Dec 2007)</p>	<p>1. <u>shall not apply</u> the min level of compensation (until 31 Dec 2007)</p>		
4. Free movement of capital	<p>1. <u>may maintain</u> the national legislation regarding the acquisition of secondary residences (for 5 years from the date of accession)</p>			

	<p>2. <u>may maintain</u> the rules on the acquisition of agricultural land and forests (for 12 years from the date of accession)</p>			
<p>5. Company law</p>				
<p>6. Competition policy</p>	<p>1. <u>may apply</u> corporate tax exemptions under certain conditions (31 Dec 2011/ 31 Dec 2010) 2. <u>may grant</u> state aid for environmental protection (until 2010/ until 2007)</p>			
<p>7. Agriculture</p>	<p>1. <u>shall not apply</u> the structural requirements for the production and placing on the market of minced meat and meat preparation (until 31 Dec 2007/ 31 Dec 2006) 2. <u>may maintain</u> in service cages not meeting the min requirements for the protection of laying hens (until 31 Dec 2009) 3. <u>shall limit</u> the potato varieties planted in Poland to varieties fully resistant (for 10 years from the date of accession)</p>	<p>1. <u>shall be granted</u> a transitional period during which the min requirements for the preliminary recognition of producers organizations shall be set at five producers and EUR 100000 (for 3 years from the date of accession but may not exceed a period of five years starting from the date of acceptance by the competent national authority) 2. <u>shall not apply</u> the requirements relating to fat content to drinking milk (for 5 years from the date of accession) 3. the threshold for recognition as a producer group <u>shall be set</u> at the level of 1% of the guarantee threshold for all production regions (for 5 years from the date of accession) 4. <u>may consider</u> cows of the breeds as eligible for the</p>		

			<p>suckler cow premium (until the end of 2006)</p> <p>5. <u>may postpone</u> the deadlines for the provision of the information for plant protection products (until 31 Dec 2006)</p> <p>6. <u>may allow</u> marketing until exhaustion of stocks of forests reproductive material accumulated before 1 Jan 2004.</p>		
8. Fisheries					Regulation No 3760/92 shall apply to Poland subject to following specific provisions.
9. Transport policy	<p>1. shall <u>not</u> apply the Dir. 91/440/EEC on the development of the Community's railways (until 31 Dec 2006)</p>	<p>1. carriers shall be excluded from the operation of national road haulage services in the other member states (until the end of third year following the date of accession +2 years)</p> <p>2. vehicles complying with the limit values categories 3.4 <u>may only</u> use non-upgraded parts of the Polish road network (until 31 Dec 2010)</p>			
10. Taxation	<p>1. <u>may</u> maintain a reduced rate of excise duty on petrol manufactured with anhydrous alcohol, gas oil with a low sulphur content and petrol containing ethyl butyl alcohol ether (until 1 year after the date of accession)</p>	<p>1. a) <u>may</u> apply an exemption with refund of tax paid at the preceding stage on the supply of certain books and specials periodicals (until 31 Dec 2007) and b) <u>may maintain</u> a reduced rate of value added tax of not less than 7% on the supply of restaurant services (until 31 Dec 2007 or until the</p>	<p>1. <u>may</u> maintain an exemption from VAT on international transport of passengers (until the condition is fulfilled or as long as the same exemption is applied by any of the present member states)</p>		

		<p>transition period referred to in art. 28l of the Directive 2002/38/EC)</p> <p>2. <u>may maintain</u> a) a reduced rate of VAT of no less than 3% on foodstuffs for human and animal consumption (until 30 April 2008) and b) a reduced VAT of no less than 7% on the supply of services not provided as part of social policy (until 31 Dec 2007)</p> <p>3. <u>may postpone</u> the application of the overall min excise duty on the retail selling price for cigarettes of the price category most in demand (until 31 Dec 2008)</p>		
11. Economic and Monetary Union				
12. Statistics				
13. Social and employment policy	1. <u>shall not apply</u> the min safety and health requirements in respect of work equipment installed before 31 Dec 2002 (until 31 Dec 2005)			
14. Energy		1. "the min level of stocks of petroleum products shall <u>not apply</u> " (until 31 Dec 2008)		
15. Industrial policy				
16. Small and medium sized enterprises				
17. Science and research				
18. Education and training				

19. Telecommunication and information technology		1. may apply a weight limit of 30 grams for reserving services to universal service providers (until 31 Dec 2005)		
20. Culture and audio-visual policy				
21. Regional policy				
22. Environment	1. all shipments of waste for recovery <u>shall be notified</u> to the competent authorities (until 31 Dec 2012)	1. <u>shall not apply</u> the requirements for existing storage installations at terminals, for loading and unloading of existing mobile containers at terminals, for existing mobile containers and for loading into existing storage installations at service stations (until 31 Dec 2005) 2. <u>shall not apply</u> the requirements for the sulphur content of heavy fuel oils (until 31 Dec 2006) 3. the competent authorities <u>may raise objections</u> to shipments to Poland for recovery of certain wastes (until 31 Dec 2007 + 5 years) 4. the competent authorities may raise objections to shipments of waste for recovery (until 31 Dec 2012) 5. competent authorities <u>shall object</u> to shipments of waste recovery destined for a facility benefiting from a temporary derogation from certain provisions of Directive 96/61/EC.		

		<p>6. shall attain the recovery and recycling targets for packaging materials (by 31 Dec 2007)</p> <p>7. the requirements relating to water control and leachate management, protection of soil and water, gas control and stability will <u>not apply</u> to municipal landfills (until 1 July 2012)</p> <p>8. shall not apply the requirements on limit values and quality objectives for discharges of certain dangerous substances (until 31 Dec 2007)</p> <p>9. <u>shall not apply</u> the requirements for collecting systems and treatment of urban waste water (until 31 Dec 2015)</p> <p>10. shall not apply the requirements for biodegradable industrial water (until 31 Dec 2010)</p> <p>11. shall not apply the requirements for the granting of permits for existing installations (until 31 Dec 2010)</p> <p>12. <u>shall not apply</u> the requirements for the granting of permits for existing installations to the listed installation (until 30 Oct 2007)</p> <p>13. shall not apply the emission limit values for</p>		
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		<p>sulphur dioxide (until 31 Dec 2015)</p> <p>14. shall not apply the emission limit values for nitrogen oxides emissions applicable for plants with a rated thermal input greater than 500 MWth (until 31 Dec 2017)</p> <p>15. shall not apply the emission limit values for dust (until 31 Dec 2017)</p> <p>16. shall not apply the provisions on radiological equipment (until 31 Dec 2006)</p>		
23. Consumers and health protection				
24. JHA				
25. Custom union				
26. External relations				
27. Common foreign and security policy				
28. Financial control				
29. Financial and budgetary provisions				

Annex 12. Slovakia

Chapter no	Transitional arrangement	Derogation	Exemption	Special provision
1. Free movement of goods				
2. Free movement of persons				
3. Free movement of services		1. <u>shall not apply</u> the min level of compensation (until 31 Dec 2006)		
4. Free movement of capital	1. <u>may maintain</u> the national legislation regarding the acquisition by non-residents of agricultural land and forests (for 7 years from the date of accession +3 years)			
5. Company law				
6. Competition policy	1. <u>may apply</u> the corporate income tax exemption to one beneficiary in the motor vehicle industry, provided that the total aid under this tax exemption does not exceed 30% of the eligible investment costs of the relevant project incurred since 1998 (the end of fiscal year 2008) 2. <u>may apply</u> the corporate income tax exemption to one beneficiary in the steel industry, provided that certain conditions are fulfilled (until the end of the fiscal year 2009)			
7. Agriculture	1. <u>shall not apply</u> structural requirements regarding the	1. <u>may grant</u> state aid in order to ensure the functioning of		

		health conditions for the production and the placing on the market of fishery products (until 31 Dec 2006)	the warehouse receipt and goods receipt system (until 31 Dec 2006)		
8. Fisheries					
9. Transport policy			<p>1. carriers <u>shall be excluded</u> from the operation of national road haulage services in the other member states and carriers established in the other member states shall be excluded from the operation of national road haulage services in Slovakia (until the end of the second year after the accession date +2 years +1 year)</p>		
10. Taxation		<p>1. <u>may maintain</u> a reduced VAT of not less than 5% on the supply of natural gas and electricity (until one year after the date of accession)</p>	<p>1. <u>may maintain</u> a reduced rate of VAT of not less than 5% on the supply of heat energy used by private households and small entrepreneurs who are not registered for VAT for heating and the production of hot water, excluding raw materials used to generate heat energy (until 31 Dec 2008) and b) a reduced VAT of not less than 5% on the supply of construction work for residential housing not provided as part of a social policy (until 31 Dec 2007)</p> <p>2. <u>may postpone</u> the application of the overall min excise duty on the retail selling</p>	<p>1. <u>may maintain</u> an exemption from VAT on international transport of passengers (until the condition set in Dir. is fulfilled or as long as the same exemption is applied by any of the present member states)</p>	

11. Economic and Monetary Union				price for cigarettes of the price category most in demand (until 31 Dec 2008)		
12. Statistics						
13. Social and employment policy						
14. Energy				1. "the min level of stocks of petroleum products shall not <u>apply</u> " (until 31 Dec 2008)		
15. Industrial policy						
16. Small and medium sized enterprises						
17. Science and research						
18. Education and training						
19. Telecommunication and information technology						
20. Culture and audio-visual policy						
21. Regional policy						
22. Environment				1. all shipments of waste recovery <u>shall be notified</u> to the competent authorities (until 31 Dec 2011)		
				1. <u>shall not apply</u> the requirements for existing storage installations at terminals (until 31 Dec 2004/ until 31 Dec 2007) 2. <u>shall not apply</u> the requirements for loading and unloading equipment at terminals (until 31 Dec 2004/ until 31 Dec 2007) 3. <u>shall not apply</u> the requirements for existing mobile containers at terminals (until 31 Dec 2007) 4. <u>shall not apply</u> the		

		<p>requirements for loading into existing storage installations at service stations (until 31 Dec 2004/ until 31 Dec 2007)</p> <p>5. <u>shall object</u> to shipments of waste recovery for a facility benefiting from a temporary derogation</p> <p>6. <u>shall attain</u> the overall recovery targets for the packaging material (by 31 Dec 2007)</p> <p>7. <u>shall not apply</u> the limit values for discharges of mercury and benzopyrene into the waters (until 31 Dec 2006)</p> <p>8. <u>shall not apply</u> the limit values for discharges of tetrachloroethylene, trichloroethylene and tetrachloromethane into the waters (until 31 Dec 2006)</p> <p>9. <u>shall not apply</u> the requirements for collecting systems and treatment of urban waste water (until 31 Dec 2015)</p> <p>10. <u>shall not apply</u> the emission limit values and the requirements for measurement to certain incinerators (until 31 Dec 2006)</p> <p>11. <u>shall not apply</u> the requirements for the granting of permits for existing installations to certain</p>		
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			installations (until the end of 2011) 12. shall not apply the emission limit values for sulphur dioxide, nitrogen oxides and dust (until 31 Dec 2007)		
23. Consumers and health protection					
24. JHA					
25. Custom union					
26. External relations					
27. Common foreign and security policy					
28. Financial control					
29. Financial and budgetary provisions					

Annex 13. Slovenia

Chapter no	Transitional arrangement	Derogation	Exemption	Special provision
1. Free movement of goods		1. shall remain valid the marketing authorisations for the pharmaceutical products listed and issued under Slovenian law prior to the date of accession (until they are renewed or until 31 Dec 2007)		
2. Free movement of persons				
3. Free movement of services	<p>1. shall not apply the Dir. 86/635/EEC relating to savings and loans undertakings established before 20 Feb 1999 (until 31 Dec 2004)</p> <p>2. shall not apply the Dir. 94/19/EC to savings and loans undertakings established before 20 Feb. 1999 (until 31 Dec 2004)</p> <p>3. shall not apply Dir. 2000/12/EC to savings and loans undertakings established before 20 Feb 1999 (until 31 Dec 2004)</p>	1. neither the level nor the scope of the cover provided in Slovenia by an investment firm from another member state may exceed the level or scope of the compensation provided by the corresponding compensation scheme in Slovenia (until 31 Dec 2005)		
4. Free movement of capital	1. may resort to the general safeguard clause as regards the real estate market (for a period of up to max 7 years after the date of accession)			
5. Company law				
6. Competition policy				

<p>7. Agriculture</p>	<p>1. <u>may maintain</u> in service cages not meeting the min requirements for the protection of laying hens (until 31 Dec 2009) 2. <u>may postpone</u> the application of Dir. 2002/53/EC and 2003/55/EC with regard to the marketing in its territory of seeds of varieties listed in its national catalogues (for 5 years after the accession date)</p>	<p>1. <u>may grant state aid</u> for the production of oil pumpkins (for 5 years from the date of accession) 2. <u>may be derogated</u> the min natural alcoholic strength by volume set for zone CII for table wines and quality wines psr (for three consecutive wine years 2004/2005, 2005/2006, 2006/2007)</p>		
<p>8. Fisheries</p>				
<p>9. Transport policy</p>				
<p>10. Taxation</p>		<p>1. <u>may maintain a</u> reduced rate of VAT of not less than 8.5% on the preparation of meals (until 31 Dec 2007 or until the end of transitional period) and b) a reduced rate of VAT of not less than 5% on the supply of construction, renovation and maintenance work for residential housing not provided as part of a social policy and excluding building materials (until 31 Dec 2007) 2. <u>may postpone</u> the application of the overall min excise duty of EUR 60 and EUR 64 per 1000 cigarettes for cigarettes of the price category most in demand (until 31 Dec 2007)</p>	<p>1. <u>may maintain an exemption</u> from VAT on international transport of passengers (until the condition set in Dir. is fulfilled or as long as the same exemption is applied by any of the present member states)</p>	
<p>11. Economic and Monetary Union</p>				

<p>12. Statistics</p>				
<p>13. Social and employment policy</p>	<p>1. shall not apply Dir. 86/188/EEC on the protection of workers from the risks related to exposure to noise at work (until 31 Dec. 2005) 2. shall not apply Dir 91/322/EEC on establishing indicative limit values on the protection of workers from the risks related to exposure to chemical, physical and biological agents at work (until 31 Dec 2005) 3. shall not apply Dir. 98/24/EC on the protection of the health and safety of workers from the risks related to chemical agents at work (until 31 Dec 2005) 4. shall not apply Dir. 2000/39/EC on the protection of the health and safety of workers from the risks related to chemical agents at work (until 31 Dec 2005) 5. shall not apply the Dir. 2000/54/EC on the protection of workers from risks related to exposure to biological agents at work (until 31 Dec 2005)</p>			
<p>14. Energy</p>		<p>1. "the min level of stocks of petroleum products shall not apply" (until 31 Dec 2005)</p>		
<p>15. Industrial policy</p>				
<p>16. Small and medium sized</p>				

enterprises					
17. Science and research					
18. Education and training					
19. Telecommunication and information technology					
20. Culture and audio-visual policy					
21. Regional policy					
22. Environment			<p>1. shall attain the recovery and recycling targets for packaging materials (by 31 Dec 2007)</p> <p>2. shall not apply the requirements for collecting systems and treatment of urban waste water (until 31 Dec 2015)</p> <p>3. shall not apply the requirements for the granting of permits for existing installations (end of 2011)</p>		
23. consumers and health protection					
24. JHA					
25. Custom union					
26. External relations					
27. Common foreign and security policy					
28. Financial control					
29. Financial and budgetary provisions					

Annex 14. Table of Contents of the Treaty of Accession

- A. Treaty between the Kingdom of Belgium, the Kingdom of Denmark, the Federal Republic of Germany, the Hellenic Republic, the Kingdom of Spain, the French Republic, Ireland, the Italian Republic, the Grand Duchy of Luxembourg, the Kingdom of the Netherlands, the Republic of Austria, the Portuguese Republic, the Republic of Finland, the Kingdom of Sweden, the United Kingdom of Great Britain and Northern Ireland (Member States of the European Union) and the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Poland, the Republic of Slovenia, the Slovak Republic, concerning the accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Poland, the Republic of Slovenia and the Slovak Republic to the European Union
- B. Act concerning the conditions of accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Poland, the Republic of Slovenia and the Slovak Republic and the adjustments to the Treaties on which the European Union is founded

Part One: Principles

Part two: Adjustments to the Treaties

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Annexes

Protocols

Final Act

- I. Text of the Final Act
- II. Declarations by the Plenipotentiaries
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IV. Exchange of Letter between the European Union and the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Poland, the Republic of Slovenia and the Slovak Republic on an information and consultation procedure for the adoption of certain decisions and other measures to be taken during the period preceding accession