

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(75) 67 final

Brussels, 25 February 1975

SIMPLIFICATION PROGRAMME

Simplification of Community provisions applied by customs administration

I. Introduction

As announced in document SEC(74)3742 "Declaration of the Representative of the Commission on the state of work in the internal market and customs union sectors", the Commission hereby transmits to the Council a comprehensive work programme for the simplification of customs procedures, customs legislation and institutional methods for dealing with customs matters.

The simplification of Community provisions which customs administrations apply is an objective firmly pursued by the Commission. The term "free movement of goods" when used in the context of the customs union on which the economic Community is founded means that the exchange of goods should not be hampered by unnecessary complex or excessive formalities. Thus the simplification of formalities is not a superfluous refinement: it is an indispensable complement to the development of a true customs union. But quite apart from this question of principle, on the practical level complexity is costly: it is costly for the user charged with observing Community, as well as concurrent, national, obligations. It is costly for the administrations who have to ensure that Community law is properly and uniformly applied and it is a significant element in the cost of the goods which the consumer ultimately buys¹⁾. Furthermore it is a barrier for access to international trade and especially a barrier for small and medium sized firms.

This document incorporates a comprehensive programme of action for the simplification of certain Community provisions applied by the customs administrations. (Annex A)

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- 1) It has been shown that the commercial and administrative costs of handling goods in international trade amount to around 7.5 % of the value of those goods. A modest reduction of, say 1 % in those costs (i.e. to 7.4%) would mean a saving of the order of U.A. 130,000,000 on the value of the Community's import/export trade with third countries (1973 figures).

Much has already been done and continues to be done but there are certain areas of particular difficulty which remain, some of which ought to be singled out for special attention.

One area of difficulty is rules of origin in trade between the Community and EFTA countries. When it was decided in 1972 to create seven free trade areas between the enlarged Community and the rest of the EFTA countries agreement had necessarily to be reached on the scope of the exchanges admitted to preferential treatment.

Taking account of the multiple trade currents and manufacturing chains existing outside the limits of the new area a definition of the originating products had to be adopted, which respected the economic interest of the Members of the area.

The technical formula decided upon for operating this primarily political distinction in trade currents rests on a principle which is as simple as it is logical: transformation of a good involving a change in tariff heading. Experience gained in the course of the last two years has shown that application of this principle has given satisfactory results for a large majority of products traded.

It is however necessary to acknowledge that in certain sectors of production with a complex structure such as machinery and electrical equipment (chapters 84 - 92 of the Common Customs Tariff) this principle has been accompanied by additional criteria such that its application can in fact give rise to certain difficulties. But major problems does also exist amongst others in the textile sector.

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It is also in the origin field that there is a considerable institutional complexity, which could profit from a serious reappraisal. For example the numerous preliminary meetings necessary for the adoption of modifications to origin rules ought to be condensed and the procedures rationalised.*

* The present pattern of procedural arrangements is :

1. Finalising Commission's position (Commission written procedure) usually after meeting with experts of Member States
2. Transmission of proposal to Council
3. Consideration by responsible Council Groups and COREPER
4. Adoption by the Council of the Community position to be presented to the different joint Committees
5. Consideration by the different Customs Committee
6. Consideration by the different joint Committees (Adoption)
7. Commission written procedures in order to transform the Committee decisions into proposals for a regulation
8. Transmission to Council
9. Consideration by Council Groups and COREPER
10. Adoption (usually as a A point) by the Council
11. Publication in O.J.

A second example is the application of the Common Agricultural Policy. The Commission has set up an internal working group co-opting all responsible services and in particular the customs services with the aim of carrying out a thoroughgoing study of the criticisms made against agricultural regulations as regards the difficulties of application which they present.

In view of the magnitude of the task this group has made a systematic inventory of the criticisms made. The group's conclusions will be communicated to the Council as soon as possible. However, it is already possible to take note of the first results and these are set out in Annex A (Section 2).

Another example of complexity is perhaps essentially within the power of Member States to resolve. The relatively slow progress made in recent years towards the harmonisation of customs legislations in accordance with the programme drawn up by the Commission* has meant that there still exists only a partially evolved customs union composed in part of Community provisions and in part of national provisions. Member States have preferred to keep some of their traditional systems such that users, and of course officials themselves have the difficulty of coping with legal provisions and administrative practice and requirements deriving from different instances. Action on completion of the 1971 programme must now be accelerated if the customs union is to operate truly as such and with greatest degree of simplification possible.

The comprehensive programme of action which is reproduced in Annex A has been drawn up after consultation with Senior Officials of the national customs administrations in the framework of the Customs Questions Committee (composed of Directors General of customs).

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* General Programme of approximation of customs legislation, 28 April 1971 (SEC(71) 682 final)

This simplification programme supplements two earlier communications of the Commission transmitted since the enlargement⁺ and complements the Commission's Legislation programme of 1971.

In addition to the simplification of the customs procedures a number of improvements need to be made in the relevant procedural arrangements of the institutions of the Community. A number of measures are also proposed in this field (Annex B). An attempt has been made, wherever possible, to indicate for the various measures of simplification proposed the state of any progress made, or an indication of the time required for completion of the necessary work involved. This information is given in the table in Annex C.

List of Annexes :

Annex A - Content of the simplification programme

Annex B - Improvements in institutional arrangements

Annex C - Timetable

Annex D - Summary of the work undertaken in the execution of the general programme for the approximation of customs laws of the Communities

⁺ Communication of the Commission to the Council of 20 June 1973
(SEC(73) 2334 final)

Communication of the Commission to the Council of 12 December 1973
(SEC(73) 4870)

Council Resolution of 27 June 1974 (OJ C 79/1 of 8.7.1974)

ANNEX A

CONTENT OF THE SIMPLIFICATION
PROGRAMME

1. SIMPLIFICATION PROGRAMME

1.1. Simplify Customs Tariff Nomenclature

The negotiation of limited preferential agreements with third countries and the implementation of certain of the Common agricultural policies has resulted in a highly fragmented and complex nomenclature which is difficult to apply in practice. The aim will be to simplify the tariff nomenclature taking particular account of the problems of application whilst preserving essential political and economic interests where this can be done without affecting rates of duty. The aim will also be to avoid the introduction of additional complexities in the future in so far as practicable.

As far as possible advantage will be taken of the forthcoming multilateral trade negotiations for simplifying tariff nomenclature in so far as its structure and the rates of duty applicable are concerned.

1.2. Develop a single Community tariff/statistical instrument incorporating preferential and suspended duty rates and tariff quotas

At the present time there exist a separate customs tariff and a foreign trade statistics listing (NIMEXE) and a series of "shadow" tariffs which result from the sub-division of tariff headings in various preferential agreements and other instruments. In certain Member States these have been integrated into a single national nomenclature (so called tarifs d'usage), in others they are published as separate listings.

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The aim will be, subject to the solution of certain difficult technical problems, to produce a single integrated nomenclature for Community customs tariff and foreign trade statistical purposes which will include the special sub-divisions and rates necessary for the application of all tariff measures. Each sub-division will be identified by a code so as to facilitate data processing and data transmission by computer. The aim will be to prepare this information by computer and to make it available to the Member States, after the end of the transitional period in computer readable as well as in printed form.

1.3. Publish Tariff Explanatory Notes in English and Danish

The interpretation and application of the Common Customs Tariff has been facilitated by the production of detailed explanatory notes on difficult headings. These have recently been completed in the 4 working languages of the original Member States. The aim will now be to produce versions in English and Danish as quickly as possible.

2. AGRICULTURE

2.1. Codification of agricultural provisions

The Commission will actively pursue its action on the codification of agricultural regulations. To that end it has already informed the Council of three series of proposals involving codification of acts adopted in the pork, egg and poultry meat sectors. In addition the Commission has carried out the codification of regulations common to all sectors as regards the export refunds and import, export and advance fixing certificates.

2.2. Pursue action already taken as regards regulations common to all sectors

The Commission will undertake to proceed more by way of horizontal regulations, common to all products, as concerns subjects where this method seems opportune. Horizontal provisions applicable in the areas of export refunds and certificates having now been put to the test the responsible services of the Commission have put to the Member states a draft "horizontal" regulation on common means of application of the regime of taxes and levies applying on exportation. Work on this draft will be actively pursued with the aim of arriving at a decision in February 1975.

2.3. Simplification of product nomenclature

2.3.1. The Commission has carried out an enquiry in the Member states with the aim of drawing up a list of tariff subheading which are difficult to apply. The replies to this enquiry have now been received and the Commission will make the necessary studies in collaboration with the Member states.

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2.3.2. The Commission recently submitted to the Council two proposals for regulations leading to a number of simplifications in:

- the wine and viti-culture products sector. (doc. R/2875/74 (AGRI 686), and
- the milk and milk products sector

2.4. The Commission will take or propose the necessary measures with a view to remedying the difficulty presented by the repeated publication of periodic acts, in those cases where there is no change of rates.

3. COMPUTERISATION

3.1. Facilitate application of computer techniques to import/export work

The majority of Member States have developed or are in the process of developing computer systems for handling and processing the large volumes of statistical and control data associated with imports and exports. The Commission is also studying its requirements in this area. Independent consultants who recently completed a preliminary study on behalf of the Commission have recommended the urgent preparation of a framework within which the Member States can develop and in the longer term link their import/export computer systems. The Commission will be proposing separately to the Council to put in hand a detailed requirements study with a view to developing the framework recommended by these consultants. The aim will be to identify common systems elements, and possibly software, and common standards and codes to enable import/export data to be processed with maximum efficiency and for urgent data to be transmitted rapidly between the Member States and the Commission, in both directions, using modern data processing techniques.

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4. VALUATION

4.1. Simplify rules relating to advertising costs borne by sole concessionaires in respect of trademarked goods

In certain circumstances, it is necessary to include advertising costs borne by an importer who is a sole concessionaire in the value of the goods for customs purposes. The Community rules are not precise on this matter, the practices in the Member States are not uniform and the rules are difficult to apply. The aim is to establish simplified Community rules which will bring about a uniform application.

4.2. Establish a standard average values system for apples and pears

Valuation of apples and pears is particularly laborious because these goods have in general no price at the moment of importation as they are imported on consignment. Member States either apply a system of provisional valuation on deposit of duty or have their own national periodical average values. The aim is to simplify the task both for commerce and for the customs services by establishing a system of standard average values for apples and pears along the lines of the present system for citrus fruits.

4.3. Simplify post-importation checks by settling the documents to be furnished for customs valuation

National rules and practices are different in this field and this creates difficulties both for Commerce and national administrations. The aim is to establish Community rules, identical for each Member State, which enable a Customs value control requirements to be simplified.

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5. ORIGIN

5.1. Pursue harmonisation of rules provided for in the different preferential regimes.

The rules and criteria of origin are based on the basic principle that goods should undergo a substantial transformation in order to be declared to have originated in a country. The requirement for "substantial transformation" is in general satisfied where the product changes its tariff position as a result of processing. This basic principle applies to all agreements which the E.E.C. has concluded with the EFTA and Mediterranean countries and the ACP countries. However, in individual cases, there may be certain differences in origin rules due to technical or economic considerations peculiar to the countries party to the agreement. It is true that these differences create considerable administrative problems. These differences will now be subject to further close scrutiny and any harmonisation and simplification possible will be pursued.

5.2. Replacement of different model certificates by a single one (EUR 1).

Until recently a separate certificate (attesting the country of origin) was required under each separate agreement. An important measure of simplification was taken with the introduction of one form EUR 1 replacing a number of separate certificates.

The replacement of separate certificates by the EUR 1, though it has begun and been welcomed by official and trade circles alike has still not been completed in all agreements with third countries. This will now be vigorously pursued.

5.3. After the success of the introduction of Form EUR 1 the Commission proposes that this model declaration be used from now on in all existing and new preferential agreements concluded by the Community and replace the other models used hitherto in the agreements currently applied.

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5.4. The need for certain additional details at present required on form EUR 1 to be reviewed in order to ensure that they correspond to actual justified needs.

The Commission pursues consultation with member countries in order to simplify further the EUR 1 certificate by reducing and simplifying the amount of information asked for.

5.5. A special study to be made in the appropriate forum of the problems raised by the application of the EFTA agreements on the basis of specific cases which arise and suggestions made by Member States, partner countries and the services of the Commission.

This study will take account, in particular, of the following points :

- 5.5.1. Simplification of rules of a particularly detailed nature which are likely to give rise to difficulties of application.
- 5.5.2. A simplified control procedure for products falling in Chapters 84-92 will be studied with a view to allowing the incorporation of non-originating materials falling under the same heading as the finished product provided those materials do not exceed 20% of the value of the finished product.
- 5.5.3. The possibility of further harmonisation of the percentage rules provided for certain products of Chapters 84-92 in both list A and list B.
- 5.5.4. A study of the possible advantages and disadvantages of applying an obligatory or optional alternative origin rule based on the criterion that the value added to materials as a result of manufacture is at least 50% of the value of the finished product, as regards chapters 84-92.

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5.5.5. Review the working of the simplified procedure recently introduced which allows exporters either to have their EUR 1 forms pre-authenticated by customs or to endorse forms with their own approved stamp, on the basis of the reports which Member States will present by the end of 1975.

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6. COMMUNITY TRANSIT

The Community transit system, introduced in 1970 by Regulation (EEC) No 542 represented a most important simplification in comparison with the pre-existing situation involving separate national transit requirements. Since then the basic system has been developed and refined in accordance with official and commercial needs. Further rationalisation has resulted from the extension of the system to Austria and Switzerland following the conclusion of agreements with those countries. Additional measures of simplification are however being considered and these are set out below.

6.1. Examine possibility of abolishing Community transit documentation for goods in free circulation after end of transitional period.

By the end of the transitional period when customs duties and charges of equivalent effect are no longer chargeable in intra-community trade it may no longer be necessary to require the use of Community transit forms in the way prescribed by present Community legislation. As well as constituting an enormous simplification such a possibility would seem wholly consistent with the notion of the free movement of goods. It is however to be noted that community transit documentation is established not only to take account of strictly customs requirements but also other official requirements, in particular fiscal and statistical needs.

6.2. Introduce greater flexibility in the guarantee system

It seems possible to introduce greater flexibility in the community transit guarantee system taking into account the risk of non-collection of duties and other charges genuinely incurred. This risk can be assessed not only in relation to the principal personally but also the nature of the goods being transported. An important step as regards the free movement of goods will be made by automatically exempting from the guarantee goods in free circulation which are subject only to VAT.

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6.3. Examine possibility of abolishing transit advice note (subject to the introduction of appropriate legal provisions to establish clear responsibility for payment of outstanding duties and taxes)

When the goods placed under a Community transit procedure have not been presented to an office of destination a presumption is made as to the place where the irregularity was committed, based on the transit advice notes kept in the office of transit. Experience has shown that this system involves a cumbersome and complex investigation procedure often out of proportion to the objective pursued. It would therefore be opportune to find a system which placed less emphasis on the transit advice note, this would at the same time result in the suppression of the formality of lodging the transit advice note.

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6.4. Review application of Article 41 of Regulation (EEC) 542/69

Under Article 41 of Regulation (EEC) 542/69 traders exporting goods which are intended for clearance at the first customs point in an immediately neighbouring Member State need not use the 4 copies of the Community transit forms normally required, nor provide a guarantee. In practice this facility has been used in a more extensive way than was intended and has on occasion resulted in postponing the formality of putting goods under the Community transit procedure at the border post of the neighbouring Member State when in fact this should have been carried out at the office of departure. It seems appropriate to limit this procedure strictly to goods for which export formalities have been carried out at a border customs office and which are intended for putting into home use at the border post of the neighbouring Member State.

6.5. Examine possibility of establishing Community rules on sealing

The establishment of uniform rules or norms at the Community level could be useful to Member States individually and in facilitating customs administration in the context of transit movements between Member States. In other words, the customs services of one Member State would know that they were fixing seals in the same circumstances as another Member State thus allowing some rationalisation of controls. The services of the Commission in consultation with the Member States will study possible solutions to this problem.

6.6. Standardisation of documents used in intra-community trade

In order to facilitate for users completion of those formalities which still exist in intra-community trade, the Commission believes that it is right to reshape the forms currently in use by aligning them on the lay-out key drawn up under the auspices of the Economic Commission for Europe. This reshaping would first of all concern Community transit documents, and by virtue of Article 15 of Regulation (EEC) N° 542/69, export documents. It would be desirable in this context, to carry out a harmonisation of information which must be provided on these documents, as far as is possible. The same operation ought to be carried out, possibly at a later stage, as regards import documents. (See also paragraph 8.1. of this Annex).

7. INWARD/OUTWARD PROCESSING AND TEMPORARY IMPORTATION

Examine requirements for special statistics on inward/outward processing and temporary importation

Under Council Directive (EEC) No 69/73 which sets out the Community rules relating to inward processing, and a proposal for a Directive currently before the Council on harmonised rules for outward processing, provision is made requiring Member States to provide certain statistical information relating to the operation of these regimes. In the case of the Directive already adopted certain Member States insisted on the adoption of such provisions as a condition of their agreeing to the Directive. Experience gained since 1969 has led certain Member States to question whether this information should continue to be required.

This requirement for information will now be re-appraised.

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8. CUSTOMS CLEARANCE PROCEDURE

8.1. Examine possibility of reducing amount of information required in documents used in intra-Community trade

A number of documents used in intra-Community trade continue to require certain information which ought in principle and in practice to be quite out of place in a working customs union. For example the tariff classification and customs value of goods passing from Member State to Member State are quite irrelevant since, when such goods are in free circulation there is no customs duty to be calculated, let alone collected. Tariff classification is not required for goods traded between Hamburg and Frankfurt, Paris and Clermont Ferrand and it is no more necessary to require it in trade between Hamburg and Clermont Ferrand.

8.2. Examine possibility of basing Customs controls more on companies' accounts than on physical controls at ports and frontiers

Similarly in a developed customs union customs controls in intra-Community trade can be based to a greater extent on examination of companies' accounts rather than on physical controls, invariably involving costly delays in the transit of goods, at ports and frontiers. Goods which have ceased to be subject to customs duty (and the importers responsible for them, being by and large registered traders for VAT) can and should be controlled in a more sophisticated way than is often the case at present. This possibility will be examined in conjunction with the national experts in the appropriate committees.

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9. CODIFICATION OF COMMUNITY LEGISLATION

As the Commission stated in its General Programme for the approximation of customs legislations of April 1971, the harmonisation and uniformisation of customs legislation, after being realised through a pragmatic process and characterised by a large number of partial decisions, ought to be improved and codified in order to form a homogeneous whole governed by principles which conform to customs and economic union. Moreover, the Commission will examine the possibility of consolidating in one text those instruments which in the past have undergone numerous modifications.

ANNEX B

IMPROVEMENTS IN INSTITUTIONAL ARRANGEMENTS

1. INSTITUTIONAL IMPROVEMENTS

1.1. Enactment of Community Regulations

The Council resolved on 27 June 1974* that Community regulations relating to imports and exports should, except for economic reasons, be enacted in sufficient time for Member States to have at least 6 weeks from the date of publication in the Official Journal to put them into effect. This resolution resulted in a significantly better situation in 1974 than in previous years but in a disturbingly high number of cases the "six week" rule was not observed. In part the blame lies with the Council and the Member States and to a lesser degree with the Commission. The reasons will be analysed in detail with a view to respecting the six week requirement to the maximum in the future.

1.2. Quotas and suspension

Proposals for tariff quotas and suspensions are made by the Commission on the basis of economic data submitted by the Member States. Delay by a Member State in submitting this information can hold up the whole legislative programme and, as a consequence, shorten unacceptably the period allowed for implementation. Member States should ensure that requests for changes to the tariff are submitted in strict respect of the dates laid down by the Commission in order that the six week implementation period can invariably be allowed.

1.3. Commission/Council decision making machinery

The Commission formulates its proposals for regulations or directives bearing on international trade after consulting the national experts who meet under the auspices of different committees or working groups. As this involves problems of a technical nature the Commission endeavours, as far as is possible to maintain solutions which have received the agreement of those experts. Nonetheless this rule of conduct has not succeeded in preventing the renegotiation of points already settled or even the raising of fresh points in discussions at Council level. Member States should coordinate their work more fully with the aim of resolving all technical questions before texts are submitted to the Council.

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* O.J. n° C 79 of 8.7.74, p.1.

1.4. Nomenclature Committee documents

Many questions of considerable commercial importance are discussed in the Nomenclature Committee of the Common Customs Tariff. Owing to a shortage in staff with the appropriate experience, the tariff Division of the Administration of the Customs Union has not so far been able to examine problems in sufficient depth to present detailed written proposals to the Committee. The result is that experts of the Member States have to undertake work in Committee which could more efficiently be done by GUD staff in advance of meetings. An additional result is that the number of meetings required is significantly increased.

1.5. Nomenclature Committee Procedures

To the extent that the Commission can obtain the agreement of all delegations on the solution to be applied to a problem of implementation it generally refrains from formalising that solution in a legal instrument and leaves to Member States the responsibility for putting it into effect. It does however happen that the work of the Nomenclature Committee is often hampered by the fact that delegations in a minority insist without justification on their point of view being upheld. Were these practices to become more widespread the Commission could be led to make more use of the possibility of adopting measures by way of regulation once there is a qualified majority on its side in the Council.

1.6. Rationalization of EFTA Customs Committees

As a consequence of the negotiation of seven separate bilateral agreements with the EFTA countries, similar problems have been discussed in seven separate customs committees. Without prejudice to the bilateral nature of the agreements, common problems will in future be discussed on an informal multilateral basis in joint meetings where possible with the aim of reducing the work of all concerned. This has already been done in the past on three occasions and it is hoped that a continuation of this approach will permit decisions to be taken by the mixed committees by written procedure.

ANNEX C

T I M E T A B L E

T I M E T A B L E (1)

Simplification measures	Proposals of the Commission adopted by the competent body	Proposals addressed or submitted to the competent bodies and not yet adopted	Measures still outstanding (indication of the approximate date for completion of work at Commission level)
1.1.1. Autonomous measures			Studies currently in progress within services of the Commission and competent expert groups. Certain conclusions possible before the end 1975.
1.1.2. Simplification in the context of GATT			Difficult to give a date, everything depends on the outcome of Tokyo Round, among the things.
1.2. Development of a single Community tariff/statistical instrument			This is a very complex technical task as well as being very wide ranging completion could be foreseen for 1 Jan. 1978.
1.3. Publication of explanatory notes in English and Danish			Could be envisaged for end 1977.
2.1. Codification of agricultural provisions			Proposals for regulations could be envisaged for the end of 1975.
(1) <u>Note</u> : This timetable	concerns only the items included in Annex A. The measures in Annex B will probably not lead to the presentation of formal proposals, but it is hoped that with goodwill and cooperation effect will be given to these measures without delay.		

Simplification measures	Proposals of the Commission adopted by the competent body	Proposals addressed or submitted to the competent bodies and not yet adopted	Measures still outstanding (indication of the approximate date for completion of work at Commission level)
2.2. Pursue action already taken as regards regulations common to all sectors			Other arrangements will apply from spring 1975
2.3. Simplification of product nomenclature		Two proposals already submitted to Council doc.R/2575/74 AGRI 686 R/121/75 AGRI 28	Possible proposals can in many cases only be envisaged in the light of the outcome to the GATT negotiations. Difficult therefore to give a date.
2.4. Measures intended to correct the difficulty caused by repeated publication of certain periodic acts			
3.1. Facilitate application of computer techniques to import/export work			It is hoped that the necessary proposal will be approved by the Commission in June 1975

Simplification measures	Proposals of the Commission adopted by the competent body	Proposals addressed or submitted to the competent bodies and not yet adopted	Measures still outstanding (indication of the approximate date for completion of work at Commission level)
4.1. Commission Regulation on advertising costs			- draft regulation currently under consideration (end 1975)
4.2. Commission regulation establishing a system of standard average values periodically applicable to apples and pears			- draft regulation currently being discussed in the Customs Valuation Committee (mid 1975)
4.3. Commission regulation concerning certain documents required to be furnished to customs services			- a draft regulation on which the Valuation Committee will be asked to give an opinion at its next meeting (end March 1975)
5.1. Pursue harmonisation of rules provided for in the different preferential regimes	ACP Convention EEC - Israel Agreement Faroe Isles (Regul. 3184/74 of the Commission of 6.12.74- O.J. L 344 of 23.12.74)	Other Mediterranean agreements	PTOM Decision (before entry into force of the ACP Convention)

Simplification measures	Proposals of the Commission adopted by the competent body	Proposals addressed or submitted to the competent bodies and not yet adopted	Measures still outstanding (indication of the approximate date for completion of work at Commission level)
<p>5.2. Replacement of different model certificates by EUR 1 and different postal package forms by form EUR 2</p>	<p>EFTA Agreements (decision Mixed Committees 10/73 - O.J. L 365 of 27.12.73) ACP Convention Faroe Isles (Regul.3184/74) EEC - Israel Agreement</p>	<p>Other Mediterranean agreements</p>	<p>PTOM Decision (before entry into force of ACP Convention)</p>
<p>5.4. Revision of certificate EUR 1</p>	<p>ACP Convention EEC - Israel Agreement</p>	<p>Other Mediterranean agreements</p>	<p>AFTA Agreements (Spring 1975) Faroe Isles PTOM Decision (before entry into force of ACP Convention)</p>
<p>5.5. Simplification (suppression) of rules of List A for chemical sector</p> <p>5.5. Study new simplifications of Lists A and B (so-called long term proposals)</p>	<p>Generalised Preferences ACP Convention EEC - Israel Agreement</p>	<p>Other Mediterranean agreements</p>	<p>EFTA Agreements (July 1975) Faroe Isles PTOM Decision (before entry into force of ACP Convention)</p> <p>EFTA Agreements } ACP Convention } Not before Mediterranean } beginning of Agreements } 1976 Faroe Isles } PTOM }</p>

Simplification measures	Proposals of the Commission adopted by the competent body	Proposals addressed or submitted to the competent bodies and not yet adopted	Measures still outstanding (indication of the approximate date for completion of work at Commission level)
5.5. Simplified procedure for issue of certificates EUR 1	EFTA Agreements (Decision Mixed Committees 2/74 - O.J. L 224 of 6.8.1974) Faroe Isles (Regul. 3184/74)		Reappraisal on basis of practical experience gained by end 1975
6.1. Examine possibility of abolishing Community transit documentation for goods in free circulation after end of transitional period			This study must be started and completed in the course of 1976.
6.2. Introduce greater flexibility in guarantee system			The new provisions will be incorporated in a proposal for a regulation for adoption by the Commission in April 1975
6.3. Examine possibility of abolishing transit advice note (subject to the introduction of appropriate legal provisions to establish clear responsibility for payment of outstanding duties and taxes)			Modification of Art.36 of Regulation 542/69 on Community transit could be included in a proposal for a regulation for adoption by the Commission in April 1975. This modification would allow the Commission to decide by way of regulation, on the suppression of transit advice notes at intracommunity frontiers. In parallel an adaptation of the Community transit agreements with Austria and Switzerland would need to be made.

Simplification measures	Proposals of the Commission adopted by the competent body	Proposals addressed or submitted to the competent bodies and not yet adopted	Measures still outstanding (indication of the approximate date for completion of work at Commission level)
6.4. Review application of Article 41 of Regulation (EEC) 542/69			Proposal for a Commission regulation in April 1975.
6.5. Examine possibility of establishing Community rules on sealing			Since this is a question of interpretation of the provisions of Article 18 of Regulation (EEC) 542/69, the Community transit Committee should agree on uniform rules. Date envisaged July 1975.
6.6. Standardisation of documents used in intra-community trade			Following the critical appraisal of information required by the different Member States a proposal for a regulation will need to be transmitted to the Commission. Date envisaged Beginning of 1976.
7. Examine requirements for special statistics on inward/outward processing and temporary importation.			Study in progress in ad hoc group of national experts. May/June '75.

Simplification measures	Proposals of the Commission adopted by the competent body	Proposals addressed or submitted to the competent bodies and not yet adopted	Measures still outstanding (indication of the approximate date for completion of work at Commission level)
<p>8.1. Examine possibility of reducing amount of information required in documents used in intra-community trade</p>			<p>See 6.6. above</p>
<p>8.2. Examine possibility of basing customs controls more on companies' accounts than on physical controls at parts and frontiers</p>			<p>This is a question of a progressive adaptation of control methods which is subject to the development of an adequate administrative infrastructure in the Member States. The proposal mentioned at 6.6. could provide that intervention by a customs administration be carried out on firms' premises rather than at customs posts for goods subject only to VAT.</p>
<p>9. Codification of Community legislation</p>			<p>A general proposal could be envisaged at the end of the transitional period, partial proposals in the near future</p>

ANNEX D

ANNEX D

SUMMARY OF THE WORK UNDERTAKEN IN
THE EXECUTION OF THE GENERAL PROGRAMME
FOR THE APPROXIMATION OF CUSTOMS LAWS OF THE COMMUNITIES

Summary of the work undertaken in
the execution of the General Programme
for the approximation of customs laws of the communities (1)

A. Approximation of national customs provisions with a direct impact on
the application of customs duties and competition

(a) Process inward regime

A proposal intended to modify articles 13 and 14 of EEC Directive 69/73, transmitted to the Council on 16 September 1971, has still not been adopted.

On the other hand, the Council has adopted certain measures with the aim of applying that Directive, among which is EEC Directive 73/82 (O J n° L 106 of 20 April 1973) which establishes the means of taxing scrap and waste created as a result of processing operations.

(b) Process outward regime

The proposal for a directive, transmitted to the Council on 15 September 1972 has still not been adopted.

(c) Processing of goods under customs control before their release for home use

The proposal for a directive, transmitted to the Council on 11 December 1972 has still not been adopted.

(d) Temporary importation regime

A proposal for a regulation is currently being finalised. Transmission to the Council expected towards the end of the first six months of 1975.

(e) Tariff treatment applicable to goods returned to the customs territory of the Community

Consideration of the proposal for a regulation, transmitted to the Council on 18 April 1974 is in progress.

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(1) Doc. SEC (71) 682 final transmitted to the Council on 28.5.1971.

(f) Repayment or remission of duties

A proposal for a regulation is currently in preparation. Transmission to the Council expected towards the end of the first six months of 1975.

(g) Rules applicable to the time at which a customs debt arises becomes payable and is discharged

A proposal is currently in preparation. Transmission to the Council expected towards the end of 1975.

(h) Duty exemptions

A proposal on the setting up of a general regime of exemptions from duty is currently in preparation. Transmission to the Council expected towards the end of 1975.

In anticipation of the general regime proposals intended to deal with certain specific cases have been transmitted to the Council :

- Tariff treatment applicable to goods imported for testing
consideration of the proposal for a regulation, transmitted the 29 March 1974, has not yet begun.

- importation free of duty^{of} objects of an educational, scientific or cultural nature

consideration of the proposal for a regulation, transmitted 21 December 1973 is in progress

- tariff treatment applicable to agricultural products contained in travellers' personal luggage

consideration of this proposal for a regulation intended to extend the EEC Regulation 1544/69 to agricultural products, transmitted 7 June 1973, is in progress

- importation free of duty of goods sent from a third country as small consignments of no commercial nature by one private individual to another private individual residing in the territory of the community

consideration of the proposal for a regulation, transmitted 20 December 1974, has not yet begun.

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(i) Means of application of those (sub) headings of the common customs tariff providing for a particular end use

Preparation of relevant Community rules is in progress.

(j) Customs value

The Council adopted 10 February 1975 EEC Regulation 338/75 (O.J. L.39 of 13 February 1975) which introduced into EEC Regulation 803/68 provisions providing the possibility for determining in certain cases at a Community level, the elements of customs value.

(k) Origin

Consideration of a proposal concerning the definition of origin of oil products, transmitted to the Council on 2 July 1975, has not yet begun.

The provisions of EEC Council Regulation 802/68 on the common definition of the notion of origin of goods, have been spelled out by rules for common application for certain specific products, in particular, meat and offal, certain textile products, certain ceramic articles and grape juice.

(EEC Commission Regulations N°s 964/71, 1039/71, 2025/73 and 2026/73).

B. Preparation of measures intended to improve the working of the customs union

(a) Harmonisation of procedures for putting goods into free circulation

Consideration of the proposal for a Directive, transmitted to the Council on 21 December 1973, has not yet begun.

(b) Harmonisation of export procedures

In anticipation of an overall text on the subject, Community rules on ship and aircraft supplies are in preparation.

(c) Tariff regime applicable to goods acquired by travellers at airport sales countries and on board aircraft, ships or hovercraft operating between 2 or more Member States

Consideration of the proposal for a regulation, transmitted to the Council on 16 November 1972, has not yet begun.

(d) Mutual Assistance for the recovery of claims resulting from sums improperly paid out in the framework of the common agricultural policy and agricultural levies and customs duties which have been evaded

Consideration of the proposal for a Directive, transmitted to the Council on 8 January 1973, began on 24 January 1975.

(e) Mutual Assistance between competent national authorities and between the latter and the Commission for assuring the correct application of Community customs and agricultural rules.

Consideration of the proposal for a regulation transmitted to the Council on 10 May 1973 has not yet begun.

(f) Community Transit

EEC Regulation 542/69 has been modified on several occasions.

Modifications have included, among others, the provisions concerning completion of Community transit operations. As a result of the enlargement of the Community the notion of internal frontier has been given a

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new definition, and new rules have been introduced as regards the application of transit procedures to maritime transport.

The conclusion of agreements in 1973 between the Community on the one hand and, respectively, Austria and Switzerland on the other concerning the application of Community transit regulations on the territories of these states has had the effect of simplifying intracommunity trade in cases where the transportation of goods makes use of Swiss or Austrian territory.

Finally, the Commission has adopted several regulations as regards detailed application with the aim of simplifying the formalities connected with the procedures.

(g) Origin

There has been, by means of a Commission regulation (n° 3103/73) a harmonisation of conditions in which Member States may require certificates of origin in intracommunity trade.

(h) Importation free of duty of goods making up small consignments of no commercial value within the Community

Following adoption of EEC Regulation n° 3301/74 by the Council on 19 December 1974 providing for exemption from duty in trade between the old and the new Member States, and the Directive of 19.12.74 on fiscal exemptions, exchanges of goods constituting small consignments between private individuals resident in the Community can be carried out free of duty and tax up to a limit of 40 u.a. from 1 April 1975.