ENGLISH

INTERNAL MARKET

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THE ELIMINATION OF FRONTIER CONTROLS

Control of goods

Control of individuals

Value-added tax

Excise duties

COMMISSION OF THE EUROPEAN COMMUNITIES

Volume 2

JANUARY 1993

In June 1985, the Commission of the European Communities issued a White Paper on 'Completing the internal market', setting out a target for establishing a single European market in goods, services, people and capital by 1992.

The White Paper included a detailed legislative timetable containing over 300 measures and proposals.

In September 1992, the Commission issued its 'Seventh report on the implementation of the White Paper on completing the internal market'. This updated and modified the original legislative timetable contained in the White Paper.

This booklet is one of a series of six publications.

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A common market for services

The elimination of frontier controls

Conditions for business cooperation
Public procurement
Internal market for energy

A new Community standards policy

Veterinary and plant health controls

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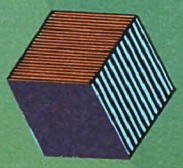

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THE ELIMINATION OF FRONTIER CONTROLS

How to use this booklet

This series of booklets sets out:

(i) to inform the interested European public about the steps which are being taken to bring about the single market;

(ii) to summarize the approach which is being taken in individual business sectors;

(iii) to provide an initial guide to the content and current status of each proposal which the Commission has drafted with a view to completing the internal market.

This booklet contains:

(i) a brief description of how the Community makes laws;

(ii) a general introduction to the issues and problems involved in eliminating frontier controls;

(iii) specific introductions to the approach being taken;

(iv) a brief summary of each measure which has been adopted or proposed with a view to establishing an internal market without frontier controls. Where a measure has been proposed but not yet adopted, the summary also gives details of the European Parliament's opinion and of the current status of the proposal. Where the measure has been adopted, the summary gives the deadline for implementing the legislation in the Member States, together with details of any follow-up work and of the implementing measures taken by the Commission.

The reader should:

(i) ensure he is familiar with how the Community makes laws and recommendations; if this is not the case, he should turn to page iii;

(ii) read the general introduction to services for an overview of the issues (page 1);

(iii) select from the contents (page vii) the section(s) which cover the sector(s) of interest.

The summaries provide references to the appropriate copies of the *Official Journal of the European Communities* for those readers wishing to examine measures in more detail. Copies of the Official Journal can be obtained from the sales offices listed inside the back cover.

Note to the reader

This publication provides a snapshot, as at 1 January 1993, of a situation which is evolving all the time. It was designed as a documentary tool and does not bind the Commission in any way.

HOW THE EUROPEAN COMMUNITY MAKES LAWS
AN OUTLINE

It is necessary to be familiar with the procedures by which the Community passes laws in order to understand the detail contained in the summaries. Each summary relates to a specific measure intended to facilitate the creation of the single market. In broad terms:

(i) the Commission (which has both executive and administrative roles) initiates and drafts a proposal which it submits to the Council;

(ii) the European Parliament (which is elected by the citizens of the Community) and the Economic and Social Committee (which consists of representatives from employer organizations, trade unions and other interest groups) consider and comment on the proposal;

(iii) the Council (whose members represent the governments of the Member States, normally at ministerial level) adopts the proposal which then becomes law. In some cases, this power can be exercised by the Commission.

This booklet contains summaries of different types of measures; their consideration and adoption can follow different procedures. These are discussed below.

1. LAWS AND OTHER MEASURES

Regulations

A regulation is a law which is binding and directly applicable in all Member States without any implementing national legislation. Both the Council and the Commission can adopt regulations.

Directives

A directive is an EEC law binding on the Member States as to the result to be achieved, but the choice of method is their own. In practice, national implementing legislation in the form deemed appropriate in each Member State is necessary in most cases. This is an important point as businesses affected by a directive have to take account of the national implementing legislation as well as the directive.

Decisions

A decision is binding entirely on those to whom it is addressed. No national implementing legislation is required. The decisions summarized in this booklet are Council Decisions although in certain cases the Commission has the power to adopt Commission Decisions.

Recommendations

A recommendation has no binding effect (it is not a law). Recommendations can be adopted by both the Council and the Commission.

The majority of the measures included in this booklet are Council Directives.

EEC legislation from start to finish (directives and regulations)

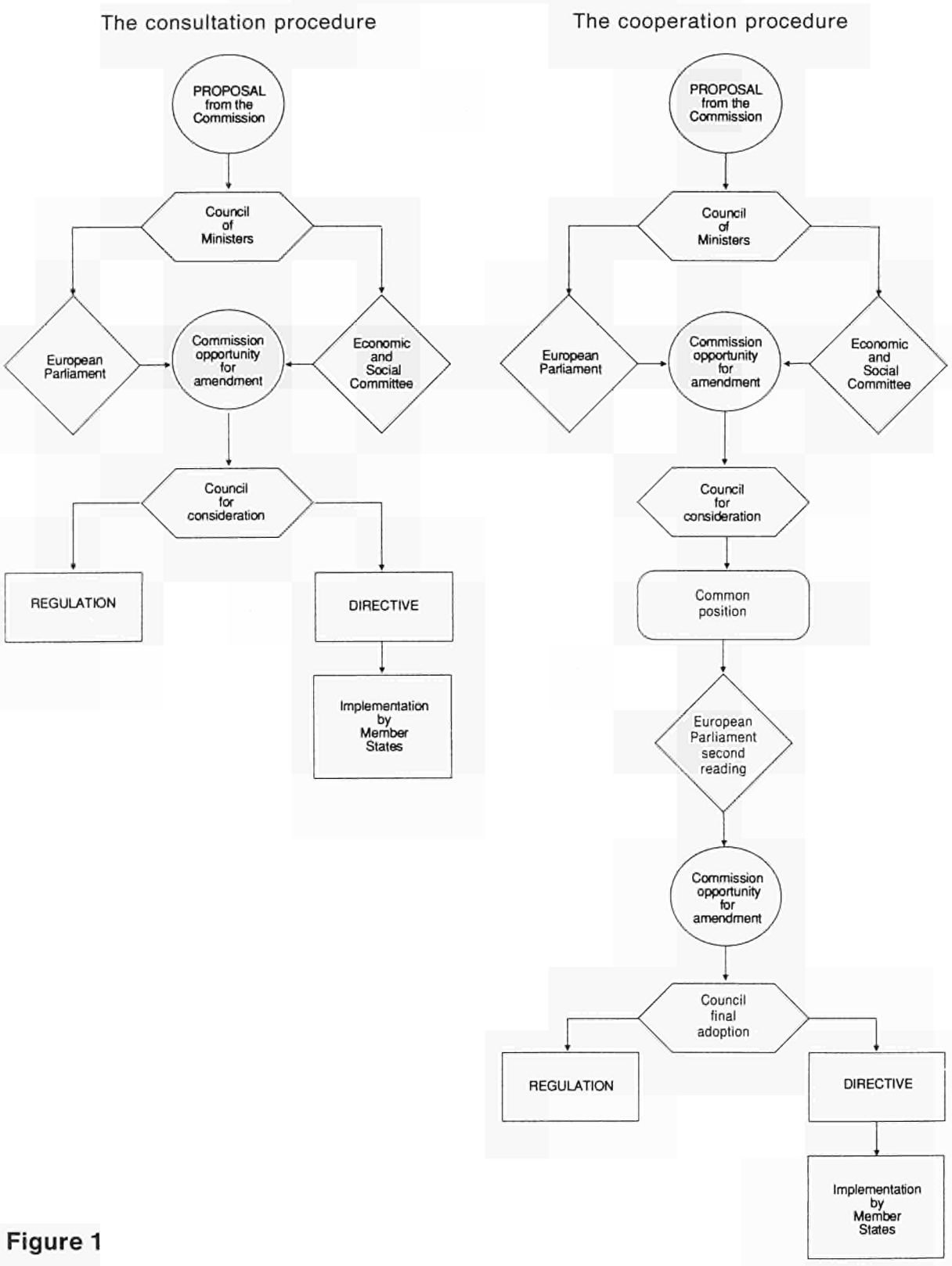

Figure 1

2. PROCEDURES FOR MAKING LAWS

The Community's decision-making procedures are best illustrated by tracing the progress of a directive. The following text should be read in conjunction with the flow chart in Figure 1.

Since the entry into force of the Single European Act on 1 July 1987 there are two distinct procedures for the adoption of a directive: the consultation procedure and the cooperation procedure. The EEC Treaty article upon which a proposal is based dictates which procedure is followed.

In both cases a directive begins with a proposal from the Commission to the Council.

Under the consultation procedure, the Council requests an opinion from the European Parliament and, in most cases, from the Economic and Social Committee. Once these have been given, the Commission then has the opportunity to amend the proposal if it so wishes. The proposal is then examined by the Council which may adopt it as proposed, adopt it in an amended form, or fail to reach agreement in which case the proposal remains 'on the table'.

Under the cooperation procedure, the Council requests opinions from the Parliament and the Economic and Social Committee in the same way. Once these opinions have been received the Council has to adopt what is called a common position, although it seems that the proposal will again remain on the table failing any common position being reached. On a common position being reached, this is transmitted to the Parliament which has three months to accept, reject, or propose amendments to it, on its second reading.

At this stage the Commission may again amend the proposal if it wishes. The proposal is then returned to the Council which has three months to take a final decision. In the absence of a decision, the proposal lapses.

Whether the Council can adopt a proposal by a qualified majority or has to reach a unanimous decision depends in the first instance upon the article of the Treaty which is the basis for the measure. However, there are certain situations where unanimity must be reached by the Council:

(i) to introduce amendments of its own initiative to a proposal;

(ii) to adopt amendments proposed by the Parliament but not taken up by the Commission;

(iii) to adopt a measure when the Parliament has rejected the Council common position under the cooperation procedure.

The question of whether a directive or a regulation is subject to the cooperation procedure, the consultation procedure or neither of these depends on its legal basis.

There are a limited number of decisions summarized in this booklet. The European Parliament and the Economic and Social Committee are consulted on some of these.

There are also a limited number of recommendations in this booklet. Some Council recommendations are submitted to the European Parliament and the Economic and Social Committee for their opinion before adoption.

3. PUBLICATION OF TEXTS

At certain stages in the Community decision-making procedure, texts are published in the *Official Journal of the European Communities*. There is an 'L' series which contains legislation and a 'C' series which contains other information, such as communications issued by the Commission.

This booklet contains summaries of both adopted legislation and proposals for legislation. In the case of adopted legislation, the summary gives the reference to the Official Journal 'L' series in which the text has been published. Readers interested in the legislative history of a measure will find in the text the Official Journal 'C' series references for the corresponding Commission proposal(s) and the opinions of the European Parliament and the Economic and Social Committee.

In the case of proposals for legislation, the summary gives the Offical Journal 'C' series references for the Commission proposal(s) and the opinions of the European Parliament and the Economic and Social Committee, if published by 31 December 1992.

THE ELIMINATION OF FRONTIER CONTROLS

INTRODUCTION

1. CONTROL OF GOODS

INTRODUCTION

WHY THE ELIMINATION OF FRONTIER CONTROLS?

1957 — Treaty of Rome

This was intended to create a single market throughout the European Community, based on the principle of the free movement of goods, persons, services and capital.

Although a customs union was very quickly established and significant progress made with regard to the free movement of goods and persons, a number of administrative barriers to the establishment of a genuine single market continued to exist, although some measures were taken to simplify border formalities.

1985 — White Paper

Customs posts at the frontiers between Member States continued to exist because they were a convenient point to exercise the tax, commercial, economic, health, statistical and police controls and formalities still required. However, the cost to industry alone of complying with frontier-crossing formalities is variously estimated at between 5 and 7% of the volume of intra-Community trade or ECU 12 billion.

The Commission's White Paper 'Completing the internal market' sets the ambitious target of creating the requisite conditions for the abolition of all existing controls and formalities.

1987 — Single European Act

This Act, which entered into force on 1 July 1987 and amended the EEC Treaty, confirmed the objective of completing a single European market by 1992 according to the timetable set out in the 1985 White Paper. It adapted the Community's decision-making procedures and increased the scope for qualified majority (as opposed to unanimous) voting in the Council of Ministers. It should facilitate the adoption of the measures put forward in the White Paper within the proposed time frame. But the major decisions relating to border controls still require unanimity in the Council (tax controls and controls on individuals).

Article 8a placed a clear obligation on the Community and its Member States to abolish all checks at frontiers as from 1 January 1993. The abolition of frontier checks does not mean the abolition of all controls. While there will be an end to checks at borders, controls may continue on national territory to ensure compliance with the law, as is currently the case.

1993 — Current status

(a) In the case of goods, the Community first of all sought to abolish the basic customs formalities applicable to products and services moving within the Community: customs forms have therefore been abolished, the collection of statistical data has been reorganized, and exchange controls and in particular tax formalities have been eliminated.

It was then necessary to take compensatory measures to re-establish the levels of protection that frontier checks were considered to provide. Those compensatory measures have been taken, particularly in the fields of human health, animal health (veterinary controls), plant health (phytosanitary controls), the environment and public safety. Generally speaking, machinery for administrative cooperation has been introduced for the transmission and processing of information.

(b) As regards checks on individuals, the elimination of police and customs-authority involvement at borders has taken more varied forms:

— legislation in the case of goods transported;
— intergovernmental agreements in the case of the status of individuals and cooperation in judicial matters;
— cooperation between police and customs authorities in the case of terrorism, drug trafficking and fraud.

Physical barriers at frontiers

The physical barriers at the frontiers between Member States impede the movement of both goods and individuals.

In the case of goods, checks and controls were carried out for a number of purposes, including the gathering of trade statistics, the implementation of quantitative restrictions on imports and the administration of transport policy. Because of these checks and controls, commercial vehicle drivers had to carry extensive documentation and had to wait their turn in queues at customs posts.

Firstly, many of the checks and controls were transferred to other locations within Member States; this reduced but did not eliminate the cost of such controls.

Secondly, measures have been taken to abolish the controls themselves: the Council has abolished the obligation on carriers to lodge a transit advice note when transporting goods across internal frontiers under the transit procedure. This measure, which has made cross-border transport easier, has been supplemented by the reorganization of the Community transit system. This reorganization, which took effect on 1 January 1993, has led to the abolition of the transit procedure in intra-Community trade.

In addition, the Single Administrative Document, which formed the basis of all customs procedures, has been abolished as from 1 January 1993. This measure is based on the assumption that all products on the Community market have 'Community status' and that there is therefore no need for the checks on the place of origin in intra-Community trade; proof that a product originates in the Community is now supplied solely by the invoice and no longer by administrative documents, which have therefore been abolished.

In the case of individuals, passport controls, occasional searches of baggage and vehicles, and customs checks on purchases were a constant reminder that the Community was divided into 12 separate territories. In a true Community, characterized by the ever-closer union to which the Member States committed themselves when signing the Treaty of Rome, such frontier formalities have no place. Community citizens should not have to produce documents proving their identity or nationality or have to have goods in their baggage cleared by customs when moving from one Member State to another. On this front, it was necessary to eliminate the reasons for the controls, which, in the case of individuals, usually took the form of tax, health, police or immigration checks. Measures were therefore taken to subject the movement of drugs and arms to surveillance, to abolish tax formalities and to control access to Community territory for nationals of third countries. On 19 June 1990, France, Germany, Belgium, the Netherlands and Luxembourg signed the Schengen Agreement. They were joined by Italy in November 1990, by Spain and Portugal in June 1991 and by Greece in November 1992.

The abolition of border controls on individuals raises the question of the need to reinforce controls at external borders in order to prevent, for example, drug trafficking, illegal immigration, terrorism and organized crime. The Commission considers that Community legislation should be the preferred method only where the uniformity and legal certainty it brings constitutes the best means of attaining the objective of a frontier-free area. Otherwise intergovernmental cooperation, which is already in operation in a number of areas, may be the most efficient and cost-effective method.

There can be no doubt that progress has been made in the organization of work on abolishing controls on individuals. Fresh stimulus has been provided by the ongoing monitoring by a group of coordinators of all the various aspects of the work in progress. Among other things, this has led to the Dublin Agreement designating the Member State responsible for examining a given application for asylum, to the setting-up of Europol, and

to the formulation of a common anti-drug strategy and guidelines regarding visas. A combined effort has also been made to combat counterfeiting, fraud and the importation of dangerous products.

Tax controls

Within the European Community, tax controls were among the most important functions performed at, or in connection with, frontiers. Linked to the movement of goods across frontiers, they were reserved for intra-Community transactions. They therefore constituted a major barrier to the movement within the Community of goods and, therefore, of the individuals transporting them as compared with the arrangements applicable to domestic transactions. As this difference in treatment was not compatible with a true single market, it has been abolished.

(a) In the case of VAT, this abolition of checks is taking place in two stages. From 1 January 1993, the concepts of, and the formalities associated with, exportation and importation no longer apply to intra-Community trade. The transitional arrangements provide for the continued exemption of supplies made to other Member States. For the customer, it is the acquisition which constitutes the chargeable event, with VAT becoming payable on submission of the regular returns.

In the second stage a definitive system is to be introduced on 1 January 1997. As from that date, intra-Community supplies will be taxed in the country of origin, with the purchaser being entitled to deduct the VAT paid in another Member State.

The smooth operation of the two sets of arrangements will depend on close and systematic cooperation between national tax authorities. A Council Regulation provides for the exchange of information supplied by traders. This exchange will be carried out through a computerized network called SITE (système informatisé pour les échanges TVA — computerized system for the exchange of information on VAT).

The clear advantage of this new method of VAT collection for firms is matched, for individuals, by the total abolition of the tax-paid allowances which existed and which justified frontier checks. Products will be purchased inclusive of VAT in a Member State, and travellers will then be free to take them home. The only exception will be new means of transport which will be subject to VAT in the country of destination when they are registered. This entails the abolition of the VAT-free sales arrangements for Community residents, except at airports and on board vessels (up until 1999).

(b) The excise duties which are being harmonized at Community level are those levied on tobacco, alcohol and mineral oils. The rules governing the holding and movement of such products, which cover, for example, warehousekeepers, the accompanying document, refunds and purchases by individuals, are laid down in Community legislation.

Thanks to this whole package of measures, the conditions have been created for the abolition of tax frontiers on 1 January 1993.

1. CONTROL OF GOODS

1992 target: current position and outlook

Since 1 January 1993 goods crossing the Community's internal frontiers have no longer been subject to controls. Articles 9 to 37 of Title I of Part Two of the EEC Treaty provide for free movement of goods within the Community to be achieved through the prohibition between Member States of customs duties and charges having equivalent effect, the adoption of a common customs tariff for trade between Member States and third countries, the prohibition of any quantitative restrictions or measures having equivalent effect, and the adjustment of State monopolies. These measures are designed to fuse the 12 markets of the Member States into a single economic area within which Community goods are free to move under conditions similar to those obtaining on a domestic market.

1. Transitional phase of the adjustment of frontier controls

Since 1985 and in preparation for the 31 December 1992 deadline, the Community has introduced a number of measures designed to abolish frontier controls gradually and to make it easier to cross frontiers. For example, measures were adopted in respect of tax-paid allowances to facilitate tourist travel and road passenger transport.

Similarly, measures were taken to encourage the joint use of frontier posts, thereby enabling the formalities connected with departure from one Member State to be carried out at the post of entry into the neighbouring Member State (summary 1.7). The introduction of the Single Administrative Document in 1981 constituted a major simplification of frontier formalities and an essential step towards the removal of all customs formalities since that single form replaced all the forms previously used by each Member State individually (summaries 1.1 and 1.2).

2. Abolition of frontier formalities

The abolition of frontier formalities is based on four indissociable elements:

(a) Elimination of customs documents in intra-Community trade

Steps have been taken since 1989 to terminate the use of the Single Administrative Document and the transit document in intra-Community trade by 1 January 1993. However, those documents will continue to be used for administering special trade arrangements, such as those provided for in the Act of Accession for certain agricultural products (summary 1.36).

Notwithstanding its abolition for intra-Community trade, the transit document will continue to be used for goods transiting third countries, and particularly in the case of trade with Greece by road or rail.

For reasons connected with the physical context, arrangements have been made in airports and ports for there to be a common definition of what will constitute air and sea links with third countries in order to guarantee the elimination of all administrative action involving the luggage of travellers moving within the Community (summary 1.13).

(b) New rules governing the movement of goods

In order to eliminate the need for the Single Administrative Document, which was used mainly for administering tax controls, for collecting statistical data and for safeguarding Member States' economic, commercial or public policy interests, a series of measures have been taken to define the new rules governing the movement of products. It was first of all necessary to redefine the tax control arrangements (VAT and excise duty) by shifting those controls to business premises (in the case of VAT) or to authorized warehouses (in the case of products subject to excise duty). In addition, the collection of statistical data,

previously carried out systematically at frontiers, has now been replaced by returns which are submitted by firms and which form an integral part of national data-collection systems (summaries 1.19 and 1.20).

These general arrangements, which apply to all products, are accompanied by specific arrangements for certain products that are subject, for various reasons, to special movement, control or marketing procedures. The most important field here is clearly that of agricultural products (animals, meat, plants and seed), where there are rules for protecting animal, plant and human health.

Generally speaking, agricultural products are still subject to special trade procedures either on account of the monetary compensatory amounts designed to protect the value of agricultural prices in the event of currency fluctuations or on account of the transitional arrangements applicable until 31 December 1995 under the Act of Accession for Spain and Portugal. However, changes made to the operation of those special procedures will guarantee that they can function without frontier controls (summaries 1.35 and 1.36).

The common organization of markets was reviewed in 1992 so as to eliminate all arrangements based on frontier controls (milk, cereals and refined sugar).

The Commission has also taken steps since 1988 to restrict the use of freedom-of-movement derogations under Article 115 of the Treaty because such derogations could be administered only through frontier controls. They have gradually been eliminated in the case of textile products, cars, ceramics and footwear. In order to do this, accompanying measures of an economic nature (textiles) or of a commercial kind (cars) have been taken. Similar accompanying measures are currently being discussed in connection with the market in bananas (summary 1.34).

Finally, it is necessary to ensure that Member States' legitimate objectives in certain specific fields are not affected: it is for this reason that measures have been taken to secure the return of cultural objects unlawfully removed from a Member State (summary 1.27) and to control the movement of drug precursors (summaries 1.21 and 1.22) and the transfer of waste (summaries 1.29 to 1.31).

(c) Reinforcement of external frontiers

The abolition of controls at internal frontiers presupposes that external frontiers are administered consistently and in a 'Community spirit'. The officials responsible for carrying out controls will be acting on behalf of all national authorities and in the interests of all firms and consumers in the Community.

The adoption of the Community Customs Code (summary 1.17) establishes a common legal framework for customs controls. Additional specific measures have been taken in the veterinary and plant-health fields and in connection with cultural goods, drug precursors and psychotropic substances, international trade in protected species (summary 1.32) and the fight against counterfeiting (summary 1.28). A proposal to reinforce conformity checks on products at external frontiers is still being discussed.

(d) Cooperation between administrations

The abolition of frontier controls means that cooperation and the exchange of information between national authorities and the Commission must be stepped up. A number of different arrangements have been introduced:

— machinery for exchanging information has been brought in to reinforce cooperation in the customs field through the setting-up of a database for the integrated customs tariff of the European Communities (Taric), for the exchange and monitoring of tariff classifications of goods issued by national administrations ('binding tariff information'), for goods subject to special arrangements, for transit arrangements for goods under customs control, and for the monitoring of Community exports of strategic goods and works of art. Similar networks were established in December 1992 in connection with the campaign against fraud (SID) and in January for indirect taxation (VIES) and the monitoring of live animals (Animo) and meat (Shift);

— machinery for cooperation between administrations has been set up to promote mutual assistance, particularly in the field of indirect taxation (summary 1.23);

— finally, steps have been taken to provide training for officials and to promote convergence in administrative practices: the Matthaeus programme provides for the exchange of customs officials between national administrations, for their training and for the introduction of training programmes in customs schools (summary 1.24); this same approach is being extended to all national officials engaged in administering the instruments involved in the operation of the internal market (Karolus programme). Similar measures have been in progress for a number of years to assist veterinary inspectors.

1. CONTROL OF GOODS

1.1. Single Administrative Document: situation until 31 December 1992

(1) Objective

To introduce a Single Administrative Document (SAD) in order to facilitate intra-Community transit of goods at frontiers.

(2) Community measures

Council Regulation (EEC) No 678/85 of 18 February 1985 simplifying formalities in trade in goods within the Community.

Council Regulation (EEC) No 679/85 of 18 February 1985 introducing a specimen declaration form to be used in trade in goods within the Community.

Council Regulation (EEC) No 1900/85 of 8 July 1985 introducing Community import and export declaration forms.

Council Regulation (EEC) No 1901/85 of 8 July 1985 amending Regulation (EEC) No 222/77 on Community transit.

Council Regulation (EEC) No 1059/86 of 8 April 1986 amending Regulation (EEC) No 1900/85 of 8 July 1985 introducing Community import and export declaration forms.

(3) Contents

1. Regulation (EEC) No 678/85 provides for the SAD form to be used for intra-Community trade in Community goods. Pursuant to Council Regulations (EEC) Nos 1900/85 and 1901/85, a declaration for import, export or any other customs procedure, including Community transit, must be made using a SAD form.
2. The circumstances in which Member States may require administrative documents other than the SAD are described in point 1.
3. Declarations must be accompanied by the documents necessary for the admission of the goods under the procedure requested. The lodging with a customs office of a signed declaration indicates that the person concerned is declaring the goods. An undertaking must also be given in respect of:
— the accuracy of the information given in the declaration,
— the authenticity of the documents attached,
— observance of all the obligations inherent in the entry of the goods in question for the procedure concerned.
4. Regulation (EEC) No 678/85 sets up a Committee on the Movement of Goods, responsible for, among other things, any question relating to the application of the Regulation in question.
5. Regulation (EEC) No 1900/85 applies in trade with non-member countries on intra-Community trade to goods neither of Member State origin nor in free circulation within the Community for which a written import or export declaration is made out.
6. Form EX is to be used for permanent or temporary export or re-export of goods from the European Community, and for the dispatch from one Member State to another under a customs procedure of goods which neither originate in a Member State nor are in free circulation within the Community.

7. Form IM is to be used for:
— placing goods imported into the customs territory of the European Community under customs procedure, or in trade between two Member States,
— placing goods which neither originate in a Member State nor are in free circulation in the Community under a customs procedure at destination.
8. Regulation (EEC) No 1901/85 provides for use of the SAD form for the movement of goods carried under the internal (T2) and external (T1) Community transit procedure, and for the certification of Community status (T2L).
9. The right of free movement applies to goods whose Community status is certified on a SAD form.
10. Goods carried under the external Community transit procedure must be covered by a SAD and bear the symbol T1.
11. Goods carried under the procedure for internal Community transit must be covered by a SAD and bear the symbol T2.

(4) Deadline for implementation of the legislation in the Member States

Not required.

(5) Date of entry into force (if different from the above)

— Regulations (EEC) Nos 678/85 and 679/85: 1.1.1988
— Regulations (EEC) Nos 1900/85 and 1901/85: 1.1.1988
— Regulation (EEC) No 1059/86: 15.4.1986

(6) References

Official Journal L 79, 21.3.1985
Official Journal L 179, 11.7.1985
Official Journal L 97, 12.4.1986

(7) Follow-up work

(8) Commission implementing measures

The codes to be used in the forms, the quality of paper, format and colour of the forms, and instructions for their use, are laid down in the following implementing provisions:

Regulation (EEC) No 2855/85 (Official Journal L 274, 15.10.1985) Commission Regulation of 18 September 1985 laying down implementing provisions for Council Regulations (EEC) Nos 678/85 and 679/85.

Regulation (EEC) No 2793/86 (Official Journal L 263, 15.9.1986) Commission Regulation of 22 July 1986 laying down the codes to be used in the forms laid down in Council Regulations (EEC) Nos 678/85, 1900/85 and 222/77.

1. CONTROL OF GOODS

1.2. Single Administrative Document: reduction of scope (from 1 January 1993)

(1) Objective

To modify the scope of the SAD to take account of the situation created by Article 8a of the Treaty.

(2) Community measures

Council Regulation (EEC) No 717/91 of 21 March 1991 concerning the Single Administrative Document.

(3) Contents

1. This Regulation repeals Regulation (EEC) No 1900/85.
2. The Regulation provides for the abolition of the SAD for trade within the Community in Community products. The SAD will continue to be used for trade with non-member countries and, on a temporary basis, for some trade between the Community of Ten and Spain or Portugal, and between those two countries.
3. The Regulation sets out the circumstances in which Member States may require administrative documents other than that referred to in point 2.
4. Declarations must be accompanied by the documents necessary to place the goods in question under the procedure requested. Lodging a signed declaration with a customs office indicates that the person concerned wishes to declare the goods in question. It also makes him liable for:
— the accuracy of the information given in the declaration,
— the authenticity of the documents attached,
— observance of all the obligations inherent in placing the goods in question under the procedure concerned.
5. The Regulation provides for the setting-up of a Single Administrative Document Committee empowered to examine any question relating to the implementation of the Regulation.
6. It also lays down a procedure for the adoption of the provisions necessary for applying the Regulation, in particular those relating to:
— the form,
— the codes to be used on the form,
— the quality of the paper, the size of the form and the colour of the copies,
— the explanatory notes on the use of the form.

(4) Deadline for implementation of the legislation in the Member States

Not applicable.

(5) Date of entry into force (if different from the above)

29.3.1991. The Regulation will apply from 1 January 1993.

(6) References

Official Journal L 78, 26.3.1991

(7) Follow-up work

(8) Commission implementing measures

Regulation (EEC) No 2453/92 — Official Journal L 249, 28.8.1992
Commission Regulation of 31 July 1992 implementing Regulation (EEC) No 717/91 concerning the Single Administrative Document.
The aim of the Regulation is to continue existing legislation in a single instrument covering all aspects connected with the Single Administrative Document. These measures particularly relate to the layout of the forms and the drawing-up of the notice for the use of the Single Administrative Document, the transpositon of existing codes into the new legislation and simplification measures allowing formalities to be reduced.
This Regulation has been amended by Commission Regulation (EEC) No 3694/92 of 21 December 1992 amending Regulation (EEC) No 2453/92 concerning the Single Administrative Document as of 21 December 1992 (Official Journal L 374, 22.12.1992).

Regulation (EEC) No 2713/92 — Official Journal L 275, 18.9.1992
Commission Regulation of 17 September 1992 on the movement of goods between certain parts of the customs territory of the Community.
This Regulation provides the legal basis for procedures for trade in goods between two parts of the customs territory with different taxation procedures.
For this purpose, it lays down complementary practical measures to the provisions of Council Regulation (EEC) No 2726/90 on Community transit (summary 1.4) and the Commission Regulation (EEC) implementing Regulation (EEC) No 717/91 concerning the Single Administrative Document.

On 17 December 1992 the Commission adopted a report on the implementation of Regulation (EEC) No 717/91 on the Single Administrative Document.
This report examines the progress made in harmonizing the measures to complete the internal market required for the proper application of Regulation (EEC) No 717/91.

1. CONTROL OF GOODS

1.3. Community transit procedure: guarantees

(1) Objective	To abolish the obligation to furnish a guarantee in respect of duties and charges arising from internal transit operations within the Community.
(2) Community measures	Council Regulation (EEC) No 1674/87 of 11 June 1987 amending Regulation (EEC) No 222/77 on Community transit.
(3) Contents	1. A guarantee waiver may be granted to persons who: — are resident in the Member State where the waiver is granted; — are regular users of the Community transit system; — are in a sound financial situation; — have not committed any serious infringement of customs or tax laws; — undertake to pay, upon the first application in writing by the competent authorities, any sums claimed in respect of their transit operations. 2. The guarantee waiver does not apply to operations involving goods whose total value exceeds ECU 50 000, or which present increased risks on account of the level of duties or charges to which they are subject in one or more Member States. 3. A certificate is issued with every waiver granted. 4. The customs authorities have the right to cancel the waiver if the beneficiary: — fails to pay any sums for which he is liable; — commits a serious irregularity as the principal in a Community transit operation; — no longer meets the requirements mentioned above.
(4) Deadline for implementation of the legislation in the Member States	Not required.
(5) Date of entry into force (if different from the above)	1.7.1988
(6) References	Official Journal L 157, 17.6.1987
(7) Follow-up work	
(8) Commission implementing measures	

1. CONTROL OF GOODS

1.4. Community transit

(1) Objective

To modify the operation and scope of the Community transit procedure in order to allow goods covered by the internal market to move freely within the Community.

(2) Community measures

Council Regulation (EEC) No 2726/90 of 17 September 1990 on Community transit.

(3) Contents

1. From 1 January 1993 the Community transit procedure will apply in the main to non-Community goods (external Community transit) and it will apply to Community goods (internal Community transit) only in quite specific cases: when goods are dispatched via the EFTA countries, or in trade between the Community of Ten and Spain and Portugal, or between those two countries, in goods to which the special measures laid down by the Act of Accession will continue to apply on a transitional basis.
2. In principal, Community goods moving within the Community will no longer be subject to customs controls and formalities. Such goods will move freely, as they do at present within any one Member State.
3. External Community transit: the external Community transit procedure will apply to the movement of goods other than those originating in a Member State, products from third countries, goods coming under the Treaty establishing the European Coal and Steel Community not in free circulation in the Community, and goods that are subject to a Community measure entailing their export to a third country and for which the corresponding customs export formalities have been completed.
4. The external Community transit procedure will remain applicable in full; goods that are to be carried under that procedure must be the subject of a declaration.
5. The office of departure (i.e. the office where the Community transit operation begins) accepts and registers the declaration, and prescribes the period within which the goods must be produced at the office of destination.
6. The principal (i.e. the person responsible to the competent authorities for complying with all the obligations inherent in placing goods under the Community transit procedure) must produce the goods intact at the office of destination within the period prescribed. The carrier or the consignee of the goods who accepts them knowing that they have been placed under the Community transit procedure must likewise produce them intact at the office of destination within the period prescribed.
7. Identification of the goods is ensured by sealing. In order to ensure collection of the duties and other charges which a Member State is authorized to collect in respect of goods passing through its territory, the principal must furnish a guarantee. This may take the form of a comprehensive guarantee covering a number of Community transit operations or it may be a single guarantee covering one Community transit operation only.
8. Internal Community transit: all goods to be carried under the internal Community transit procedure must be the subject of a declaration. In a wide variety of cases, a guarantee may be waived.

	The internal Community transit procedure will continue to apply only in quite specific circumstances (e.g. where goods pass through an EFTA country — see above). 9. Special provisions applying to carriage by air or sea. 10. Special provisions applying to postal consignments.
(4) Deadline for implementation of the legislation in the Member States	Not required.
(5) Date of entry into force (if different from the above)	29.9.1990. The Regulation is applicable from 1 January 1993.
(6) References	Official Journal L 262, 26.9.1990
(7) Follow-up work	See summary 1.6.
(8) Commission implementing measures	Regulation (EEC) No 1214/92 — Official Journal L 132, 16.5.1992 Commission Regulation of 21 April 1992 on provisions for the implementation of the Community transit procedure and for certain simplifications of that procedure. This Regulation lays down the provisions implementing the reformed Community transit procedure in view of the abolition of internal frontiers on 1 January 1993 and simplifies the customs procedures still applicable to transit. This Regulation has been amended by Commission Regulation (EEC) No 3712/92 of 21 December 1992 (Official Journal L 378, 23.12.1992). Regulation (EEC) No 2713/92 — Official Journal L 275, 18.9.1992 Commission Regulation of 17 September 1992 on the movement of goods between certain parts of the customs territory of the Community. This Regulation provides the legal basis for procedures for trade in goods between two parts of the customs territory with different taxation procedures. For this purpose, it lays down complementary practical measures to the provisions of Council Regulation (EEC) No 2726/90 on Community transit and the Commission Regulation (EEC) implementing Regulation (EEC) No 717/91 concerning the Single Administrative Document (summary 1.2). Regulation (EEC) No 3566/92 — Official Journal L 362, 11.12.1992 Commission Regulation of 8 December 1992 on the documents to be used for the purpose of implementing Community measures entailing verification of the use and/or destination of goods. This Regulation provides for measures to identify documents used for the control of Community goods which are subject to a use or destination provided for or prescribed. Commission report of 17 December 1992 on the implementation of Regulation (EEC) No 2726/90 on Community transit. This report takes stock of the work of harmonization in connection with the completion of the single market, looking at legislation, implementing measures and administrative cooperation.

1. CONTROL OF GOODS

1.5. Community transit: use of TIR and ATA carnets

(1) Objective	To abolish all checks and formalities at the Community's internal frontiers on transport operations under cover of TIR or ATA Conventions.
(2) Community measures	Council Regulation (EEC) No 719/91 of 21 March 1991 on the use in the Community of TIR carnets and ATA carnets as transit documents.
(3) Contents	1. When goods are carried in, or pass in transit through, Community territory under TIR or ATA Convention arrangements, the Community is regarded as forming a single territory for the purposes of the transport or transit operation. 2. The terms 'customs office en route' and 'transit' are defined. 3. Where, in the course of transport from one point in the Community to another, goods pass through the territory of a third country, the checks and formalities associated with the TIR or ATA procedures have to be carried out at the points where the goods temporarily leave the customs territory of the Community and then re-enter it. 4. Where the application of the TIR Convention is concerned, when a consignment enters, or carriage thereof begins within, the customs territory of the Community, the guaranteeing association becomes — or is — responsible to the authorities of each Member State whose territory the TIR consignment enters, until it leaves the customs territory of the Community or arrives at the customs office of destination in that territory. 5. When goods are transported under cover of TIR or ATA carnets within the customs territory of the Community, they are regarded as non-Community goods, unless their Community status is duly established. 6. Where offences or irregularities are committed during a transport operation under cover of a TIR or ATA carnet in a given Member State, the latter is regarded as the Member State competent to recover any duties or charges and impose penalties. Where it is not possible to determine in which territory the offence or irregularity was committed, the latter is deemed to have been committed in the Member State where it was noted unless proof to the contrary is furnished. 7. Findings made by the competent authorities of one Member State in applying this Regulation have the same force in other Member States. Where necessary, the competent authorities are required to communicate to one another all information relating to TIR or ATA consignments and to any offences or irregularities noted. 8. Any matter concerning the application of this Regulation may be examined by the Committee on Community Transit provided for in Article 42 of Regulation (EEC) No 2726/90 (summary 1.4). The Commission adopts whatever provisions are necessary for the implementation of this Regulation, after consulting the Committee.
(4) Deadline for implementation of the legislation in the Member States	Not applicable.

(5) Date of entry into force (if different from the above)	29.3.1991. The Regulation is applicable from 1 January 1992.
(6) References	Official Journal L 78, 26.3.1991
(7) Follow-up work	See summary 1.6.
(8) Commission implementing measures	Regulation (EEC) No 1593/91 — Official Journal L 148, 13.6.1991 Commission Regulation of 12 June 1991 providing for the implementation of Council Regulation (EEC) No 719/91 on the use in the Community of TIR carnets and ATA carnets as transit documents. Regulation (EEC) No 3689/92 — Official Journal L 374, 22.12.1992 Commission Regulation of 21 December 1992 laying down detailed rules for the application of Council Regulation (EEC) No 719/91 on the use in the Community of TIR carnets and ATA carnets as transit documents and of Council Regulation (EEC) No 3599/82 on temporary importation arrangements. This Regulation provides for uniform arrangements for the provision of information and transfers of proceedings between Member States concerning the operation of the guarantee system for the ATA carnet, used both as a transit document and for the purposes of temporary importation. Regulation (EEC) No 3691/92 — Official Journal L 374, 22.12.1992 Commission Regulation of 21 December 1992 laying down provisions for the implementation of Council Regulation (EEC) No 719/91 on the use in the Community of TIR carnets and ATA carnets as transit documents and Council Regulation (EEC) No 3599/82 on temporary importation arrangements. This Regulation provides for arrangements to authorize the continuation of transit and/or temporary importation operations initiated under cover of an ATA carnet before 31 December 1992 under the conditions laid down in the Regulations in question.

1. CONTROL OF GOODS

1.6. Abolition of exit customs formalities: TIR

(1) Objective	To avoid the duplication of checks on both sides of the frontiers in the context of the TIR procedure. A single check will be carried out at the office of entry into the Member State importing the goods.
(2) Community measures	Council Regulation (EEC) No 3690/86 of 1 December 1986 concerning the abolition within the framework of the TIR Convention of customs formalities on exit from a Member State at a frontier between two Member States.
(3) Contents	1. Regulation (EEC) No 3690/86 will be repealed from 1 January 1993 by Regulation (EEC) No 3648/91 (summary 1.8). 2. The Regulation applies to all formalities and checks on the transport of goods under cover of TIR carnets commencing or terminating in or passing through Community territory. 3. The TIR Convention is the customs convention on the international transport of goods under cover of TIR carnets, signed in Geneva on 14 November 1975. This Convention established that: — 'internal frontier' (for the purposes of transport of goods under TIR carnets) is defined as a land frontier between Member States; — 'office of departure' is any customs office in a Member State at which the international transport of all or part of a consignment under the TIR procedure commences; — 'office of exit' is the customs office by which a TIR consignment leaves the territory of the Member State through which it has passed; — 'office of entry' is the customs office by which a TIR consignment enters the territory of the Member State through which it is to pass. 4. Where a TIR consignment (i.e. one travelling under a TIR carnet) crosses an internal frontier, it need normally only be presented, and formalities completed, at the office of entry. 5. The competent authorities of the Member States communicate to one another all findings, documents, reports, records of proceedings and information relating to TIR consignments and to irregularities discovered. 6. Questions relating to the implementation of this Regulation may be put to the Committee on the Movement of Goods.
(4) Deadline for implementation of the legislation in the Member States	Not required.
(5) Date of entry into force (if different from the above)	7.12.1986. The Regulation is applicable from 1 July 1987.
(6) References	Official Journal L 341, 4.12.1986

(7) Follow-up work	See summary 1.8.
(8) Commission implementing measures	Regulation (EEC) No 1544/87 (Official Journal L 144, 5.6.1987) Commission Regulation of 3 June 1987 laying down detailed rules for the application of Council Regulation (EEC) No 3690/86.

1. CONTROL OF GOODS

1.7. Abolition of exit customs formalities: common border posts

(1) Objective	To reduce significantly customs formalities at the Community's internal frontiers by requiring only a single customs check (instead of one on exit and one on entry), and enabling officials of one Member State to act on behalf of officials of an adjoining Member State with no loss of probative force. The single check will take place at the office of entry into the Member State of entry.
(2) Community measures	Council Regulation (EEC) No 4283/88 of 21 December 1988 on the abolition of certain exit formalities at internal Community frontiers — introduction of common border posts.
(3) Contents	1. Regulation (EEC) No 4283/88 will be repealed from 1 January 1993 by Regulation (EEC) No 3648/91 (summary 1.8). 2. The Regulation lays down the controls and formalities to be carried out at Community internal frontiers on goods crossing under cover of an ATA carnet, a Community movement carnet or Form 302 provided for under the convention between the parties to the North Atlantic Treaty on the status of their forces, signed in 1951. It does not apply to goods which arrive at the customs office of exit and have to be placed under a dispatch or transit procedure. 3. The 'office of exit' is the customs office by which the goods leave the territory of the Member State; the 'office of entry' is the customs office by which the goods enter the territory of the Member State. 4. Goods crossing an internal frontier are presented to the office of entry where all formalities and controls will be carried out on behalf of both the office of exit and the office of entry. 5. The office of entry must immediately inform the office of exit of the formalities and controls incumbent upon it. 6. Questions relating to the implementation of this Regulation may be put to the Committee on the Movement of Goods.
(4) Deadline for implementation of the legislation in the Member States	Not required.
(5) Date of entry into force (if different from the above)	3.1.1989. This Regulation is applicable from 1 July 1989.
(6) References	Official Journal L 382, 31.12.1988
(7) Follow-up work	See summary 1.8.
(8) Commission implementing measures	

1. CONTROL OF GOODS

1.8. Abolition of customs formalities at internal frontier crossings

(1) Objective	Abolition of customs formalities at internal frontier crossings for goods belonging to or intended for NATO armed forces (Form 302).
(2) Community measures	Council Regulation (EEC) No 3648/91 of 13 December 1991 laying down the procedures governing the use of Form 302 and repealing Regulation (EEC) No 3690/86 concerning the abolition within the framework of the TIR Convention of customs formalities on exit from a Member State at a frontier between two Member States, and Regulation (EEC) No 4283/88 on the abolition of certain exit formalities at internal Community frontiers — introduction of common border posts.
(3) Contents	1. This Regulation repeals Regulations (EEC) Nos 3690/86 (summary 1.6) and 4283/88 (summary 1.7). 2. However, the provisions of Regulation (EEC) No 4283/88 concerning the Community movement carnet shall continue to apply until 1 January 1993, the date of application of Regulation (EEC) No 2726/90 on Community transit (summary 1.4). 3. Where goods are transported within the Community under cover of Form 302 (established under the convention between the parties to the North Atlantic Treaty on the status of their forces) the Community shall be considered, for the purposes of the rules governing the use of the said form for such transport, to form a single territory. 4. Where, in the course of a transport operation, goods pass through the territory of a third country, the checks and formalities inherent in Form 302 shall be applied at the points where the goods temporarily leave the customs territory of the Community and where they re-enter that territory. 5. The Regulation lays down the steps to be followed where it is found that, in the course of, or in connection with, a transport operation carried out under cover of Form 302, an offence or an irregularity has been committed. The Member States shall take the necessary measures to deal with any offence or irregularity and to impose effective penalties.
(4) Deadline for implementation of the legislation in the Member States	Not required.
(5) Date of entry into force (if different from the above)	The Regulation is applicable from 1 January 1992.
(6) References	Official Journal L 348, 17.12.1991
(7) Follow-up work	
(8) Commission implementing measures	

1. CONTROL OF GOODS

1.9. Postal charges for customs presentation

(1) Objective	To abolish formalities and charges which apply to intra-Community trade, this Regulation removes postal charges for customs presentation in respect of consignments of Community goods sent from one Member State to another.
(2) Community measures	Council Regulation (EEC) No 1797/86 of 9 June 1986 abolishing certain postal charges for customs presentation.
(3) Contents	1. Postal charges for presentation to customs can no longer be levied on consignments of goods sent from a Member State to another, where the goods either: — originate in a Member State; or — come from a third country and are in free circulation in the Community. 2. Spain and Portugal may apply the provisions in force as regards postal charges for customs presentation in respect of trade with third countries to trade within the Community on the same conditions, for as long as customs duties are levied in respect of such trade.
(4) Deadline for implementation of the legislation in the Member States	Not required.
(5) Date of entry into force (if different from the above)	1.1.1988. Derogations for Spain and Portugal.
(6) References	Official Journal L 157, 12.6.1986
(7) Follow-up work	
(8) Commission implementing measures	

1. CONTROL OF GOODS

1.10. Elimination of transport checks at frontiers

(1) Objective	To abolish frontier checks and formalities related to road vehicles, their drivers, inland waterway vessels and the corresponding documentation.
(2) Community measures	Council Regulation (EEC) No 4060/89 of 21 December 1989 on the elimination of controls of Member States performed at the frontiers of Member States in the field of road and inland waterway transport. Council Regulation (EEC) No 3356/91 of 7 November 1991 amending Regulation (EEC) No 4060/89 on the elimination of controls of Member States performed at the frontiers of Member States in the field of road and inland waterway transport.
(3) Contents	1. Controls under Community or national law in the fields of road and inland waterway transport between Member States shall no longer be performed at the frontiers between Member States. 2. The Regulation defines: — 'frontier' as either an internal frontier within the Community or an external frontier, where carriage between Member States involves crossing a third country; — 'controls' as any check, inspection, verification or formality performed at the frontier of Member States, which involves a stop or a restriction on the free movement of the vehicles or vessels concerned. 3. Annexes containing details of Community and national legislation which at present give rise to checks and inspections, e.g. controls on driving licences, roadworthiness certificates for motor vehicles and their trailers, technical requirements for inland waterway vessels, weights and dimensions of road vehicles, inspection of passenger lists for road services, checks on social provisions relating to transport.
(4) Deadline for implementation of the legislation in the Member States	Not applicable.
(5) Date of entry into force (if different from the above)	— Regulation (EEC) No 4060/89: 1.7.1990 — Regulation (EEC) No 3356/91: 1.1.1992
(6) References	Official Journal L 390, 30.12.1989 Official Journal L 318, 20.11.1991
(7) Follow-up work	
(8) Commission implementing measures	

1. CONTROL OF GOODS

1.11. Abolition of certain internal frontier controls in the field of road and inland waterway transport and their transfer to the Community's external frontiers

(1) Objective	To abolish and transfer to the Community's external frontiers the internal frontier controls carried out by the Member States in the field of road and inland waterway transport on means of transport registered or put into circulation in a non-Community country.
(2) Community measures	Council Regulation (EEC) No 3912/92 of 17 December 1992 on controls carried out in the Community in the field of road and inland waterway transport on means of transport registered or put into circulation in a non-Community country.
(3) Contents	1. The Regulation applies to controls carried out in the Community by Member States in relation to transport operations by road and waterway performed by means of transport registered or put into circulation in a non-Community country. It does not affect the Member States' right to carry out controls at the time of entry on means of transport from a non-Community country in order to ascertain that those means of transport are authorized to perform transport operations in or through their territory. 2. Definitions of 'control' and 'international agreement'. 3. The abovementioned controls are no longer carried out as frontier controls at the Community's internal frontiers but only as part of the controls normally carried out by Member States in their territory. 4. The Member States are to take all measures needed to institute cooperation between their competent authorities.
(4) Deadline for implementation of the legislation in the Member States	Not required.
(5) Date of entry into force (if different from the above)	1.1.1993
(6) References	Official Journal L 395, 31.12.1992
(7) Follow-up work	
(8) Commission implementing measures	

1. CONTROL OF GOODS

1.12. Abolition of the transit advice note

(1) Objective

To abolish the requirement to lodge a transit advice note for Community goods crossing internal frontiers.

(2) Community measures

Council Regulation (EEC) No 474/90 of 22 February 1990 amending Regulation (EEC) No 222/77 in respect of the abolition of lodgement of the transit advice note on crossing an internal frontier of the Community.

(3) Contents

Abolition of the transit advice note on crossing an intra-Community frontier and adaptation of the existing legal framework to that end:

1. The carrier will give a transit advice note only to the customs office at the point of entry into, and at the point of exit from, the Community where the goods have passed through the territory of a third country.
2. Where the consignment has not been produced at the office of destination and the place of the offence or irregularity is not known, that offence or irregularity will be deemed to have been committed:
   — in the Member State of the office of departure, or
   — in the Member State of the office of transit which is situated at the point of entry into the Community and to which a transit advice note has been given,

   unless, within a period to be determined, proof is furnished of the regularity of the transit operation or of the place where the offence or irregularity was actually committed.
3. Where, in the absence of such proof, such offence or irregularity is deemed to have been committed in the Member State of departure or in the Member State of entry, duties and other taxes will be charged by that Member State in accordance with its laws, regulations and administrative provisions.
4. If, before expiry of a period of three years counting from the date of registration of the declaration, the Member State where the offence or irregularity was actually committed should be determined, that Member State will recover the duties and other taxes (with the exception of those accruing to the Community as own resources). In such cases, as soon as proof of such recovery is furnished, the duties and other taxes initially charged (with the exception of those accruing to the Community as own resources) will be refunded.
5. The guarantee under cover of which the transit operation has taken place will be discharged only on expiry of three years or, where appropriate, following payment of the duties and other taxes applicable in the Member States in which the offence or irregularity was actually committed.
6. Member States will take the necessary steps to combat any offences or irregularities and impose effective penalties in respect of any offences or irregularities which may occur.

(4) Deadline for implementation of the legislation in the Member States

Not applicable.

(5) Date of entry into force (if different from the above)	1.7.1990
(6) References	Official Journal L 51, 27.2.1990
(7) Follow-up work	
(8) Commission implementing measures	

1. CONTROL OF GOODS

1.13. Elimination of controls and formalities applicable to baggage

(1) Objective

To ensure the free movement of goods in the internal market by eliminating controls on the cabin and checked baggage of persons taking an intra-Community flight and the baggage of persons making an intra-Community sea-crossing.

(2) Community measures

Council Regulation (EEC) No 3925/91 of 19 December 1991 concerning the abolition of controls and formalities applicable to the cabin and checked baggage of persons taking an intra-Community flight and the baggage of persons making an intra-Community sea-crossing.

(3) Contents

1. The Regulation prohibits the carrying-out of controls and formalities in respect of:
— the cabin and checked baggage of persons taking an intra-Community flight;
— the baggage of persons making an intra-Community sea-crossing.
2. Definitions of the following terms: 'Community airport', 'international Community airport', 'Community flight', 'Community port', 'intra-Community sea-crossing', 'pleasure craft', 'private or business aircraft'.
3. Any control and any formality in respect of the hand and checked baggage of persons taking a flight aboard an aircraft:
— which began at a non-Community airport and continues between two Community airports shall be carried out at the last airport, provided that it is an international Community airport;
— which, following a stopover at a Community airport, has to continue this flight to a non-Community airport shall be carried out at the airport of departure provided that it is an international Community airport.
4. Any control and any formality in respect of the baggage of persons using a shipping service carried out by the same ship and comprising successive legs which begins, terminates or calls at a non-Community port is to be carried out in the port where the baggage in question is loaded or unloaded.
5. The baggage of persons using:
— pleasure craft is to be controlled in any Community port;
— private or business aircraft is to be contolled at the first airport of arrival which must be an international Community airport where the flights in question began at a non-Community airport and continue between two Community airports. The baggage in question is to be controlled at the last international Community airport when the flights in question began at a Community airport and continue, after a stop, to a non-Community airport.
6. Checked baggage coming from a non-Community airport which is transferred at a Community airport to another aircraft proceeding on an intra-Community flight, would be controlled at the airport of destination of the intra-Community flight.
7. Baggage loaded on to an aircraft proceeding on an intra-Community flight for transfer at another Community airport, would be controlled at the airport of departure of the intra-Community flight.

	8. Baggage arriving at a non-Community airport on a scheduled or charter aircraft and transferred, at a Community airport, to a private or business aircraft making an intra-Community flight, shall be controlled at the airport of arrival of the scheduled or charter aircraft. 9. Baggage on board a private or business aircraft making an intra-Community flight in order to be transferred, at another Community airport, to a scheduled or charter aircraft leaving for a non-Community airport shall be controlled at the airport of departure of the scheduled or charter aircraft.
(4) Deadline for implementation of the legislation in the Member States	
(5) Date of entry into force (if different from the above)	3.1.1992. The Regulation is applicable from 1 January 1993.
(6) References	Official Journal L 374, 31.12.1991
(7) Follow-up work	The Council intend to re-examine the Regulation before 1 October 1992.
(8) Commission implementing measures	Regulation (EEC) No 1823/92 — Official Journal L 185, 4.9.1992 Commission Regulation of 3 July 1992 laying down detailed rules for the application of Council Regulation (EEC) No 3925/91. This Regulation lays down several implementing provisions designed to prevent Regulation (EEC) No 3925/91 being a potential source of fraud, and in particular to avoid goods being transferred before controls can be carried out. It lays down the arrangements according to which the competent authorities will be able to identify the baggage for which controls and formalities have been abolished. Lastly, it regulates certain special cases which Regulation for 3925/91 had held back for the implementing provisions.

1. CONTROL OF GOODS

1.14. Inspections and formalities on the carriage of goods between Member States

(1) Objective	To cut down the delays affecting traffic flow, which increase transport costs (and thus the final price of goods), by easing controls and formalities carried out at internal Community frontiers.
(2) Community measures	Council Directive 91/342/EEC of 20 June 1991 amending Directive 83/643/EEC on the facilitation of physical inspections and administrative formalities in respect of the carriage of goods between Member States.
(3) Contents	1. Definitions of the terms 'control' and 'formality'. 2. Member States must ensure that in the course of any carriage operation the various inspections and formalities are carried out as far as possible in one place, preferably the place of departure and/or destination of the goods. 3. Inspections are by means of spot checks. The sample base is defined. 4. The opening hours and staffing of the various departments (customs, veterinary, plant health, quality control, etc.) and inland customs offices must be such as to enable inspections and formalities to be carried out throughout a stipulated period of the day, uninterruptedly. 5. This Directive will be repealed with effect from 1 January 1993, the date on which Council Regulation (EEC) No 2726/90 becomes applicable (summary 1.4).
(4) Deadline for implementation of the legislation in the Member States	1.9.1991
(5) Date of entry into force (if different from the above)	
(6) References	Official Journal L 187, 13.7.1991
(7) Follow-up work	
(8) Commission implementing measures	

1. CONTROL OF GOODS

1.15. Movement of goods within the Community: general application of 'temporary use'

(1) Objective	To introduce arrangements for movement within the Community in order to apply them to the widest possible range of goods, while taking account of the eventual risk of frauds.
(2) Community measures	Council Regulation (EEC) No 3/84 of 19 December 1983 introducing arrangements for movement within the Community of goods sent from one Member State for temporary use in one or more other Member States. Council Regulation (EEC) No 1292/89 of 3 May 1989 which amends Regulation (EEC) No 3/84 introducing arrangements for movement within the Community of goods sent from one Member State for temporary use in one or more other Member States.
(3) Contents	1. The free movement arrangements apply to the goods defined in Article 1. 2. Definitions of the following concepts: 'beneficiary', 'Member State of departure', 'office of departure', 'office of entry', 'office of exit' and 'office of transit'. 3. The Regulations do not preclude the ATA carnet procedure, simpler procedures used for frontier-zone traffic, or those employed in particular for the temporary importation of travellers' personal effects and packages, or a national procedure at the request of the person concerned. 4. Only natural or legal persons established in the Member State of departure are eligible for the arrangements. 5. For the purposes of movement under the arrangements goods must be covered by a Community movement carnet issued by the competent authorities of the Member State of departure. 6. The arrangements terminate when the goods have been produced again, with the carnet, before the expiry of its period of validity, at any competent customs office in the Member State of departure. 7. The Regulations lay down the procedure for recovering any charges payable in the event of an irregularity affecting an intra-Community movement operation. 8. The Regulations also set up a Committee on Arrangements for the temporary movement of goods within the Community and lays down its powers.
(4) Deadline for implementation of the legislation in the Member States	Not applicable.
(5) Date of entry into force (if different from the above)	— Regulation (EEC) No 3/84: 1.7.1985 — Regulation (EEC) No 1292/89: 1.7.1989

(6) References	Official Journal L 2, 4.1.1984 Official Journal L 130, 12.5.1989
(7) Follow-up work	On 21 March 1991 the Council adopted Council Regulation (EEC) No 718/91 amending Regulation (EEC) No 3/84 introducing arrangements for the movement within the Community of goods sent from one Member State for temporary use in one or more other Member States (summary 1.16).
(8) Commission implementing measures	Regulation (EEC) No 2364/84 — Official Journal L 222, 20.8.1984 Commission Regulation of 31 July 1984 laying down detailed implementing provisions for the arrangements for movement within the Community of goods sent from one Member State for temporary use in one or more other Member States.

1. CONTROL OF GOODS

1.16. Movement of goods within the Community: application of 'temporary use' to works of art and carpets

(1) Objective	To reinstate the Community carnet procedure for works of art not accompanied by the authors or their representatives, and to carpets constituting commercial samples.
(2) Community measures	Council Regulation (EEC) No 718/91 of 21 March 1991 amending Regulation (EEC) No 3/84 introducing arrangements for movement in the Community of goods sent from one Member State for temporary use in one or more other Member States.
(3) Contents	1. Carpets constituting samples and works of art unaccompanied by their authors or agents are allowed to benefit from the Community carnet arrangements. 2. The Regulation is repealed as from the date of application of Council Regulation (EEC) No 2726/90 on Community transit (summary 1.4).
(4) Deadline for implementation of the legislation in the Member States	Not applicable.
(5) Date of entry into force (if different from the above)	29.3.1991
(6) References	Official Journal L 78, 26.3.1991
(7) Follow-up work	
(8) Commission implementing measures	Regulation (EEC) No 3586/92 — Official Journal L 364, 12.12.1992 On 11 December 1992 the Commission adopted a Regulation laying down the transitional provisions concerning the movement within the Community of goods sent from one Member State for temporary use in one or more other Member States. The Regulation sets out the transitional provisions concerning the treatment of Community movement carnets issued before but expiring after the date of repeal of Regulation (EEC) No 3/84.

1. CONTROL OF GOODS

1.17. Community Customs Code

(1) Objective

To codify customs law which has hitherto been spread over a wide range of EC Regulations and Directives, at the same time amending the legislation to make it more consistent, simplify it and close existing loopholes.

(2) Community measures

Council Regulation (EEC) No 2913/92 of 12 October 1992 establishing the Community Customs Code.

(3) Contents

1. The code aims to bring together the general rules and all the customs procedures applicable to goods traded between the Community and non-Community countries in a single, coherent body of law. It replaces and supplements the 30 or so legislative acts passed between 1968 and 1990 which are still in force.
2. The code starts by stating its scope and some basic definitions. It sets out general provisions on people's rights and obligations with regard to customs legislation (right of representation, decisions, information, etc.).
3. The code lists the factors on the basis of which import and export duties and other measures prescribed in respect of trade in goods are applied. These are: the Customs Tariff of the European Community and the tariff classification of goods, their origin (preferential or non-preferential) and their customs value.
4. The code lists the provisions applicable to goods brought into the customs territory of the Community until they are assigned a customs-approved treatment or use. It covers the entry of goods into the customs territory of the Community, presentation of goods to customs, summary declaration and unloading of goods, the obligation to assign them a customs-approved treatment or use, and their temporary storage. Special provisions apply to non-Community goods which are moved under a transit procedure.
5. A major section of the code covers customs-approved treatment or use. It sets out rules for placing goods under a customs procedure, release of goods for free circulation, conditional exemption procedures and customs procedures with economic impact, export and internal transit. Special provisions cover the position of free zones and free warehouses (which are part of Community customs territory but are separate from the rest of it) and the re-exportation, destruction and abandonment of non-Community goods.
6. The section on 'Privileged operations' sets out provisions for reliefs from duty, returned goods, and products of sea-fishing and other products taken from the sea. Another on 'Customs debt' sets out rules on providing security for customs debt, incurring and recovering debts.
7. The code provides for a two-stage right of appeal: in the first instance to the customs authority, then to the national courts. It establishes a Customs Code Committee with responsibility for examining any matter relating to customs regulations. The code also sets out the legal effects in a Member State of measures taken, documents issued and findings made in another Member State.

(4) Deadline for implementation of the legislation in the Member States	Not applicable.
(5) Date of entry into force (if different from the above)	1.1.1994, with some exceptions.
(6) References	Official Journal L 302, 19.10.1992
(7) Follow-up work	
(8) Commission implementing measures	Commission Regulation on 10 November 1992 laying down certain implementing provisions of Articles 161, 182 and 183 of Council Regulation (EEC) No 2913/92 establishing the Community Customs Code, as regards the export procedure and re-export of goods leaving the customs territory of the Community. This Regulation establishes the procedures to be carried out in observance of the principle which states that customs formalities for exports must be carried out at the competent customs office in the country of origin. It lays down the rules for carrying out export formalities, checking that the goods have actually left the customs territory of the Community, and applying the simplified procedures.

1. CONTROL OF GOODS

1.18. Duty-free admission of fuel contained in the fuel tanks of commercial motor vehicles

(1) Objective	To facilitate the crossing of internal Community frontiers by increasing the duty-free fuel allowance for commercial motor vehicles.
(2) Community measures	Council Directive 85/347/EEC of 8 July 1985 amending Directive 68/297/EEC on the standardization of provisions regarding the duty-free admission of fuel contained in the fuel tanks of commercial motor vehicles.
(3) Contents	1. A 'commercial motor vehicle' is defined as any motorized road vehicle designed to carry either more than nine people, including the driver, or goods. A 'standard fuel tank' is one which is permanently fitted by the manufacturer to all motor vehicles of the same type as the vehicle in question. 2. Member States will admit duty-free the following quantities of fuel: — 600 litres per vehicle per journey in the case of commercial passenger vehicles; — 200 litres per vehicle per journey in the case of commercial goods vehicles. The Council will decide before 1 July 1986 whether to increase the 200 litre allowance.
(4) Deadline for implementation of the legislation in the Member States	1.10.1985
(5) Date of entry into force (if different from the above)	
(6) References	Official Journal L 183, 16.7.1985
(7) Follow-up work	This measure will remove controls on standard fuel tanks, but problems will still arise when additional tanks are carried. The provisions on the duty-free admission of fuel contained in the fuel tanks of trucks have been incorporated in Council Directive 92/12/EEC on the general arrangements for products subject to excise duty and on the holding and movement of such products (see summary 4.1).
(8) Commission implementing measures	

1. CONTROL OF GOODS

1.19. Statistics relating to the trading of goods between Member States

(1) Objective

To establish a system for collecting the data required for compiling statistics on the trading of goods between Member States which relies directly on the consigners and consignees of goods and no longer involves checks at the internal frontiers.

(2) Community measures

Council Regulation (EEC) No 3330/91 of 7 November 1991 on the statistics relating to the trading of goods between Member States.

(3) Contents

1. This Regulation is to apply during the transitional period from 1 January 1993 until the change-over to a unified system of taxation in the Member State of origin.
2. Definitions of the concepts of 'trading of goods between Member States', 'goods', 'Community goods', 'non-Community goods', 'statistical territory of a Member State', 'goods in free movement on the internal market of the Community', etc.
3. Definitions of the general scope of statistics on the trading of goods between Member States and of the general scope of each type of statistics (transit, storage, trade) in relation to the others.
4. Provisions relating to exemption from statistical obligations.
5. Provisions relating to a statistical collection system (Intrastat). Conditions under which this system applies in the Member States, and to particular goods and statistics. The collection of data relating to goods to which the Intrastat system does not apply will be laid down by the Commission.
6. Provisions relating to the party responsible for providing the information required by the Intrastat system. General definition of that party and conditions for transferring the task of providing the information.
7. Provisions relating to the compilation and updating in the Member States of registers of intra-Community operators for the Intrastat system by the departments in the Member States which are responsible for compiling statistics on the trading of goods between Member States.
8. Provisions relating to the assistance to be given by the tax authorities in a Member State to the departments responsible in that Member State for compiling statistics on the trading of goods between Member States.
9. Series of provisions under the Intrastat system concerning the statistical data media, the transmission of data by the parties responsible to the relevant national departments by means of periodical declarations, the responsibilities of the Member States as regards penalties, the periodic surveys to be organized by the Commission and the Commission's report to the European Parliament and the Council on the functioning of the Intrastat system.
10. Amongst the statistics relating to the trading of goods, priority has been given to regulating statistics on trade between Member States. Definitions of the subject matter of these statistics, of the Member States of dispatch and arrival, and of the application of the Intrastat system to these statistics. Provisions relating to the classification of

goods, i.e. the Combined Nomenclature, and of countries. Fixing of the list of data items to be recorded in the statistical declaration and definitions of those items. Provisions relating to the compilation of such statistics, the transmission of data by Member States, confidential data and possible simplification of the statistical information.
11. Definitions of the various statistical thresholds (exclusion, assimilation and simplification thresholds) allowing reliable results to be obtained despite a considerable reduction in the burden on those responsible for supplying statistical information; the main rules of application to be followed by the Member States and the responsibilities of the Commission, particularly with regard to fixing the quality criteria to be met by the results compiled by the Member States.
12. Establishment of a Management Committee on the Statistics Relating to the Trading of Goods between Member States, comprising Member States' representatives and chaired by a Commission representative.
13. Final provisions relating to transit and storage statistics, to the conditions governing the confidential nature of statistical data and special movements of goods. Furthermore, the Commission will be responsible for simplified procedures and will promote the use of automatic processing and electronic data transmission.
14. In order to take account of their individual administrative arrangements, Member States may establish simplified procedures differing from those laid down by the Commission, provided that those responsible for providing information are free to choose which procedures they will use. Member States exercising this option shall inform the Commission accordingly.

(4) Deadline for implementation of the legislation in the Member States

(5) Date of entry into force (if different from the above)

— 19.11.1991
— 1.1.1993: Articles 1 to 9, Article 11, Article 13(1), Articles 14 to 27.

(6) References

Official Journal L 316, 16.11.1991

(7) Follow-up work

(8) Commission implementing measures

Regulation (EEC) No 2256/92 — Official Journal L 219, 4.8.1992
Commission Regulation of 31 July 1992 on statistical thresholds for the statistics on trade between Member States.
This Regulation lays down the rules which the Member States must follow for fixing statistical thresholds. The function of these thresholds is to suspend or reduce the obligations of parties responsible for providing information. They apply in the light of the quality requirements and the possibilities for lightening the statistical burden laid down by this Regulation.

Regulation (EEC) No 3046/92 — Official Journal L 307, 23.10.1992
Commission Regulation of 22 October 1992 laying down provisions for implementing Council Regulation (EEC) No 3330/91 on the statistics relating to the trading of goods between Member States.
This Regulation defines the field of application of the Intrastat system. It lays down the obligations of intra-Community operators and specifies procedural rules and certain provisions relating to information.

Commission Regulation of 11 December 1992 concerning the statistical information media for statistics on trade between Member States.
This Regulation sets up the statistical information media required by the Intrasat system created by Regulation (EEC) No 3330/91. There are three Intrasat forms, each of which covers all the information to be declared by a particular category of parties responsible for providing information. In addition, specific instructions are given concerning magnetic media, the voluntary use of the Single Administrative Document and the forms set up by the Member States.

1. CONTROL OF GOODS

1.20. Transit statistics and storage statistics relating to the trading of goods between Member States

(1) Objective

To establish the framework in which the Member States are authorized to organize their statistical surveys on transit movements and movements into and out of warehouses in order to prevent the burden on the information respondents varying excessively from one Member State to another.

(2) Proposal

Proposal for a Council Regulation (EEC) on transit statistics and storage statistics relating to the trading of goods between Member States.

(3) Contents

1. The Regulation grants the Member States the option of collecting data on the intra-Community trading of goods in interrupted transit or moving into and out of customs warehouses.
2. The person responsible for providing the statistical information is the person who draws up the administrative or commercial document designated by the Regulation as the statistical information medium. The Regulation also lists the data which the Member States may choose to include on the statistical information medium, both for transit statistics and for storage statistics.
3. The statistical thresholds are defined as the limits below which respondents are not required to submit information. For transit statistics these thresholds are expressed in terms of gross mass: 50 kg in the case of air transport and 1 000 kg for other modes of transport. For storage statistics the thresholds are expressed in terms of value or mass: ECU 800 or 1 000 kg.
4. The Committee on the Statistics Relating to the Trading of Goods between Member States, instituted by Regulation (EEC) No 3330/91 (summary 1.19), may examine any question relating to the implementation of this Regulation.

(4) Opinion of the European Parliament

First reading: Parliament approved the Commission's proposal subject to certain amendments. The Commission accepted some of these amendments.

(5) Current status

The Council adopted a common position on 21 December 1992. Under the cooperation procedure this is now before Parliament for a second reading.

(6) References

Commission proposal	
COM(92) 97 final	Official Journal C 107, 28.4.1992
Amended proposal	
COM(92) 595 final	Not yet published
European Parliament opinion	
First reading	Not yet published
Economic and Social Committee opinion	Official Journal C 223, 31.8.1992

1. CONTROL OF GOODS

1.21. Narcotic drugs and psychotropic substances: external aspects

(1) Objective

To prevent substances lawfully traded between the Community and third countries from being diverted to the illicit manufacture of narcotic drugs and psychotropic substances.

(2) Community measures

Council Regulation (EEC) No 3677/90 of 13 December 1990 laying down measures to be taken to discourage the diversion of certain substances to the illicit manufacture of narcotic drugs and psychotropic substances.

Council Regulation (EEC) No 900/92 of 31 March 1992 amending Regulation (EEC) No 3677/90 of 13 December 1990 laying down measures to be taken to discourage the diversion of certain substances to the illicit manufacture of narcotic drugs and psychotropic substances.

(3) Contents

1. The import, export and transit of substances listed in the annex to the Regulation must be documented in such a way as to disclose the name of the substances, their quantity and weight and the name and address of the exporter, the importer, the distributor and the ultimate consignee. Records of such transactions must be kept by the operators concerned, who must be licensed and registered as such by the competent authorities.
2. The Member States are responsible for establishing close cooperation between the operators and the competent authorities to enable the latter to prevent diversions from occurring. To this end, operators transmit to the competent authorities all relevant information and notify them of all export transactions involving scheduled substances. In addition, they must lodge an application for export authorization in respect of each operation with the competent authorities of the Member State in which the customs export formalities are to be completed at least 15 working days before any customs export declaration is lodged. Applications for authorization must contain full information concerning the transport arrangements, the name and address of all operators involved, and the nature, quantity and weight of the substance. The competent authorities must reach a decision within the said period.
3. If there are grounds for suspecting that diversion might occur, export of the substance is forbidden by written order from the competent authorities.
4. A similar procedure applies to third countries having requested the Commission to inform them of any shipment of substances to their territory. Third countries may also lodge applications for specific or open authorizations prior to the export of such substances. A similar procedure applies to third countries having concluded an agreement with the Community on the issuing of import permits. Specific procedures apply to countries identified as sensitive as regards the possible diversion of certain scheduled substances.
5. The Member States are responsible for providing their respective competent authorities with the means to obtain information and conduct enquiries in order to prevent diversion from occurring. In the same way as the customs authorities, the competent authorities may,

	where there are grounds for suspecting that diversion might occur, prohibit the import or export of the substances listed in the annex. 6. The principles of mutual assistance and confidentiality inform the work of the administrations of the Member States. It is the latter's responsibility to determine appropriate penalties for infringements. Each year the Member States communicate to the Commission the results of their monitoring measures, on the basis of which the Commission draws up an annual report to be submitted to the International Narcotics Control Board.
(4) Deadline for implementation of the legislation in the Member States	Not required.
(5) Date of entry into force (if different from the above)	Council Regulation (EEC) No 3677/90 enters into force on 1 January 1991 and applies from 1 July 1991; Council Regulation (EEC) No 900/92 enters into force on 13 April 1992 and applies from 1 January 1993 (with the exception of Article 1(11), on the Commission's authority to represent the Community when adopting amendments to the UN Convention against illicit traffic in narcotic drugs and psychotropic substances which applies from 13 April 1992).
(6) References	Official Journal L 357, 20.12.1990 Official Journal L 96, 10.4.1992
(7) Follow-up work	
(8) Commission implementing measures	

1. CONTROL OF GOODS

1.22. Narcotic drugs and psychotropic substances: internal aspects

(1) Objective	To prevent the manufacture of narcotic drugs and psychotropic substances legitimately marketed in the Community from being diverted for illicit purposes.
(2) Community measures	Council Directive 92/109/EEC of 14 December 1992 on the manufacture and the placing on the market of certain substances used in the illicit manufacture of narcotic drugs and psychotropic substances.
(3) Contents	1. The Directive distinguishes two types of precursor: those with limited use for licit purposes, and those of essential importance for legitimate commercial use. 2. Definitions of 'scheduled substance', 'placing on the market', 'operator', 'UN Convention' and 'International Narcotics Control Board'. 3. The Directive lays down requirements in respect of documentation, records and labelling. It guarantees the competent authorities access to documents and records for verification purposes. 4. Member States must designate a competent authority in order to ensure proper application of the Directive. The Directive also requires intra-Community cooperation between the competent authorities. 5. Member States are to take all appropriate measures to encourage operators to notify the competent authorities of all unusual orders or transactions relating to scheduled substances which show that the substances which are to be placed on the market or manufactured are likely to be used in the illicit manufacture of narcotic drugs or psychotropic substances. Likewise, the Member States shall encourage all persons who suspect, from information obtained by reason of their professional duties, that scheduled substances which have been, or are about to be, placed on the market or manufactured are likely to be used for the illicit manufacture of narcotic drugs or psychotropic substances, to inform the competent authorities thereof. 6. With regard to the control measures, the Directive confers on the competent authorities powers of inspection, search and seizure. The competent authorities may prohibit the placing on the market or manufacture of scheduled substances if they believe that these substances are ultimately destined for the illegal manufacture of narcotic drugs or psychotropic substances. 7. An annual report drawn up by the Commission will be submitted to the International Narcotics Control Board. The report will provide information on the amounts of scheduled substances seized; the methods of diversion and illicit manufacture; any substances identified as having being used in illicit manufacture of narcotic drugs or psychotropic substances; the nature and origin of processing equipment seized.
(4) Deadline for implementation of the legislation in the Member States	1.7.1993

(5) Date of entry into force (if different from the above)	— 1.7.1993 — 1.1.1993: for certain measures
(6) References	Official Journal L 370, 19.12.1992
(7) Follow-up work	
(8) Commission implementing measures	

1. CONTROL OF GOODS

1.23. Mutual assistance for the recovery of claims

(1) Objective

To put an end to discriminatory treatment in the recovery of claims.

(2) Proposal

Proposal for a Council Directive amending Directive 76/308/EEC on mutual assistance for the recovery of claims resulting from operations forming part of the system of financing the European Agricultural Guidance and Guarantee Fund, and of agricultural levies and customs duties and in respect of value-added tax.

(3) Contents

1. To extend the application of Council Directive 76/308/EEC (Official Journal L 73, 19.3.1976) which laid down common rules for mutual assistance in the recovery of claims relating to certain duties.
2. Definitions of the terms 'import duties', 'export duties', 'applicant authority' and 'requested authority'.
3. The common rules on mutual assistance apply to the recovery of claims concerning:
— all measures forming part of the system of financing of the European Agricultural Guidance and Guarantee Fund;
— levies and other duties provided for under the common organization of the market for the sugar sector;
— import duties;
— export duties;
— value-added tax;
— excise duties on manufactured tobacco, alcoholic beverages, alcohol and mineral oils;
— interest and costs incidental to the recovery of the claims referred to above.
4. Claims arising from other Member States are to be accorded the same preferential treatment as similar claims arising in the Member State where the requested authority is situated.
5. Member States are to communicate to the Commission a list of the authorities authorized to make or receive requests for assistance. The Commission is to inform the other Member States.

(4) Opinion of the European Parliament

First reading: Parliament approved the Commission proposal, subject to one amendment. The Commission accepted part of the amendment.

(5) Current status

The proposal is currently being examined by the Council with a view to adopting a common position.

(6) References

Commission proposal COM(90) 525 final	Official Journal C 306, 6.12.1990
Amended proposal COM(91) 235 final	Official Journal C 211, 13.8.1991
European Parliament opinion First reading	Official Journal C 158, 17.6.1991
Economic and Social Committee opinion	Official Journal C 102, 18.4.1991

1. CONTROL OF GOODS

1.24. Vocational training of customs officials

(1) Objective	To implement a training programme for customs officials with a view to ensuring uniform application of customs legislations at the Community's external border.
(2) Community measures	Council Decision 91/341/EEC of 20 June 1991 adopting a Community action programme on vocational training of customs officials (Matthaeus programme).
(3) Contents	1. The Decision provides for the setting-up of the 'Matthaeus' action programme on vocational training of customs officers working in national administrations. 2. The Decision defines the terms 'exchange official', 'host service' and 'donor service'. 3. The Decision identifies the objectives of the Matthaeus programme as being: to prepare as many customs officials as possible for the implications of the single market, in which each national administration will be working for the Community as a whole; to improve customs administration by means of greater mobility of customs personnel and intensive and ongoing cooperation between all the administrations in question. 4. The Matthaeus programme provides for the following types of training: exchanges of customs officials between national administrations; training seminars; common training programmes in customs schools and language courses. 5. The Member States must take the steps necessary to enable officials to be operational when called upon to carry out their duties in a customs office in another Member State. 6. The financial cost of the Matthaeus programme will be shared between the Member States and the Commission. 7. A management committee composed of representatives of the Member States, will assist the Commission in carrying out the programme. 8. At the beginning of each year the Commission will present an annual report on the implementation of the programme for the previous year to Parliament and to the Council (see point (8) — Commission implementing measures). 9. Provisions concerning exchanges of officials, training seminars and the implementation of common programmes in customs schools are contained in the three annexes.
(4) Deadline for implementation of the legislation in the Member States	1.1.1991
(5) Date of entry into force (if different from the above)	
(6) References	Official Journal L 187, 13.7.1991

(7) Follow-up work

(8) Commission implementing measures

Decision 92/39/EEC — Official Journal L 16, 23.1.1992
Commission Decision of 13 December 1991 establishing a number of implementing measures for the Council Decision of 20 June 1991 adopting a Community action programme on vocational training of customs officers working in national administrations (Matthaeus programme).
The Decision is designed to ensure that Community law is applied in a uniform manner at the Community's external frontiers, by providing customs officers from the different Member States with the same preliminary training, which will encourage them to recognize the increasingly Community-oriented nature of their work.

On 15 April 1992 the Commission presented a report to Parliament and the Council on the first year of the Matthaeus programme's implementation (SEC(92) 887 final).

On 11 December 1992 the Commission adopted a Decision laying down implementing provisions for Decision 91/341/EEC adopting a Community action programme on vocational training of customs officials (Matthaeus programme).
This Decision lays down implementing provisions in respect of the organization of exchanges of officials and seminars and relating to financial procedures for payment by the Commission of costs related to such exchanges and seminars.

On 16 December 1992 the Commission adopted a Decision laying down implementing provisions for Decision 91/341/EEC adopting a Community action programme on vocational training of customs officials (Matthaeus programme).
This Decision lays down implementing provisions in respect of specific common training programmes for experienced officials on procedures for inward processing relief, temporary importation and transit.

1. CONTROL OF GOODS

1.25. Customs agents

(1) Objective	To assist those geographical areas most affected by the abolition of frontiers.
(2) Community measures	Council Regulation (EEC) No 3904/92 of 17 December 1992 on measures to adapt the profession of customs agent to the internal market.
(3) Contents	1. Various Community accompanying measures are envisaged. Apart from measures under the European Social Fund and the Interreg initiative, measures outside the structural Funds will also provide aid and will involve: — measures to assist the most affected geographical areas particularly through the provision of development advice and the creation of new economic activities; — measures to assist the most affected companies which will take the form of contributions to manage company restructuring, market research, technology transfer and the part-financing of investments in company conversion or diversification. 2. The measures may be carried out in all the most affected regions of the Community, including those already eligible under the structural Funds and will be in addition to such Funds. 3. Community participation will amount to 50% of the cost, or a maximum of 75% for measures involving project financing, refunds or the payments of additional subsidies to public or private intermediaries designated by the Member States for all measures undertaken from 1 January 1993 onwards. Measures such as technical assistance, evaluation and monitoring may be financed up to 100%. 4. Applications for assistance must be submitted by 31 March 1993 at the latest and will be approved by the Commission within three months following their submission. 5. The Commission and the Member States will cooperate closely in carrying out the measures. The Member States will be responsible for their monitoring, evaluation and control. 6. The Commision will decide on the budget commitments and may advance up to 50% subsequent to a decision approving the commitment. The payment application must be made by 30 June 1995 at the latest. Payment will be made in ecus.
(4) Deadline for implementation of the legislation in the Member States	Not required.
(5) Date of entry into force (if different from the above)	1.1.1993 until 1.1.1994

(6) References

(7) Follow-up work

(8) Commission implementing measures

1. CONTROL OF GOODS

1.26. Export of cultural goods

(1) Objective	Harmonized export controls for cultural goods at the Community's external frontiers.
(2) Community measures	Council Regulation (EEC) No 3911/92 of 9 December 1992 on the export of cultural goods.
(3) Contents	1. The Regulation applies to cultural goods belonging to one of the categories given in the annex, and in particular the products of archaeological excavations and items from artistic, historical or religious monuments or archaeological sites which have been dismantled. 2. The export of cultural goods is subject to the presentation of an export licence which is valid throughout the Community. A licence may be refused if the goods in question fall into the category of national treasures covered by national legislation. 3. These licences will be examined by customs officials during the course of the export formalities. 4. Member States may, where necessary, restrict the number of customs offices competent to process exports of cultural goods. 5. The Regulation provides for mutual assistance between the administrative authorities of the Member States and between the latter and the Commission. 6. A Cultural Goods Committee composed of representatives of the Member States and chaired by the Commission will be set up to advise the Commission on proposed measures.
(4) Deadline for implementation of the legislation in the Member States	Not applicable.
(5) Date of entry into force (if different from the above)	Third day following that of publication in the Official Journal.
(6) References	Official Journal L 395, 31.12.1992
(7) Follow-up work	
(8) Commission implementing measures	

1. CONTROL OF GOODS

1.27. Return of cultural objects unlawfully removed from the territory of a Member State

(1) Objective

To secure the return of national treasures of artistic, historic or archaeological value that have been unlawfully removed from the territory of a Member State once controls have been abolished at internal frontiers.

(2) Proposal

Proposal for a Council Directive on the return of cultural objects unlawfully removed from the territory of a Member State.

(3) Contents

1. The purpose of the Directive is to ensure the return of cultural objects classed, before or after their unlawful removal from the territory of a Member State, as 'national treasures possessing artistic, historic or archaeological value' by national law or Regulation in accordance with Article 36 of the EEC Treaty. These national treasures are not returnable unless they fall within one of the categories listed in the annex or, although not falling within these categories, form an integral part of public collections recorded in the inventories of museums, archives or libraries or those of church bodies. The Directive applies where such objects have been removed from the territory of a Member State unlawfully, i.e. in breach of the rules in force there or of the conditions under which temporary authorization was granted.
2. The Member States may broaden the scope of the return system to national treasures that do not belong to the any of the categories given in the annex and/or which have been unlawfully removed from the territory of a Member State before 1 January 1993.
3. Member States must return unlawfully exported cultural objects irrespective of whether they have been moved within the Community or first exported to a non-member country and then re-imported.
4. Member States' central authorities are required to coordinate measures for the return of cultural objects which have been unlawfully removed from the territory of a Member State.
5. Only the courts of the Member State where the cultural object is found will have the authority to order its return to the requesting Member State if the possessor or holder should refuse to release the object.
6. Only a Member State may initiate proceedings with the aim of securing the return of a cultural object. Private owners of cultural objects may only bring proceedings provided for under ordinary law.
7. Return proceedings may not be brought more than one year after the requesting Member State becomes aware of the location of the cultural object and the identity of its possessor or holder.
8. Such proceedings may in any case not be brought more than 75 years after the object is unlawfully removed from the territory of the requesting Member State, except in the case of objects forming part of public collections or church property recognized as not being subject to a time-limit.

9. When the return of a cultural object is ordered, if the possessor proves that he exercised all due care when acquiring the object he is entitled to fair compensation.
10. The Member States will send the Commission a report every three years on the application of this Directive, starting in February 1996.

(4) Opinion of the European Parliament

First reading: Parliament approved the Commission's proposal subject to certain amendments. The Commission accepted some of these amendments.

(5) Current status

The Council adopted a common position on 8 December 1992. Under the cooperation procedure this is now before Parliament for a second reading.

(6) References

Commission proposal COM(91) 447/II final	Official Journal C 53, 28.2.1992
Amended proposal COM(92) 280 final	Official Journal C 172, 8.7.1992
European Parliament opinion First reading	Official Journal C 176, 13.7.1992
Economic and Social Committee opinion	Official Journal C 223, 31.8.1992

1. CONTROL OF GOODS

1.28. Counterfeit goods

(1) Objective	To lay down the conditions under which customs authorities may act in cases where it is suspected that goods entered for release for free circulation are counterfeit goods and the measures to be taken.
(2) Community measures	Council Regulation (EEC) No 3842/86 of 1 December 1986 laying down measures to prohibit the release for free circulation of counterfeit goods.
(3) Contents	1. The Regulation deals with counterfeit goods bearing an unauthorized trade mark identical to a trade mark validly registered in the Member States where the goods are entered for free circulation, or cannot be distinguished in their essential aspects, thereby infringing the rights of the owner of the trade mark in question. 2. It does not apply to: — goods bearing a trade mark with the consent of the owner of that trade mark, but which are entered for free circulation without the owner's consent; — goods contained in travellers' personal luggage (summary 1.13); — small consignments of goods of a non-commercial nature. 3. The Regulation prohibits the release for free circulation of goods found to be counterfeit goods. 4. Procedure to follow when requesting action by the customs authorities: the owner of the trade mark must provide all pertinent information and a detailed description of the goods. The authorities will then notify the trade mark owner of the action they intend to take and for what period. 5. If a customs office finds goods corresponding to the description of the counterfeit goods, it will suspend authorization for release and notify the parties concerned. 6. The Member States must ensure that the competent authorities destroy goods found to be counterfeit or dispose of them outside commercial channels. They must take every possible step to ensure that those responsible for their illicit import do not derive any economic benefit. 7. The trade mark owner may ask the authorities concerned to give the names and addresses of the consignor, the importer and the consignee of the goods, and the quantities involved. 8. Acceptance of an application does not entitle the trade mark owner to compensation if counterfeit goods slip through customs undetected.
(4) Deadline for implementation of the legislation in the Member States	
(5) Date of entry into force (if different from the above)	1.1.1988

(6) References	Official Journal L 357, 18.12.1986
(7) Follow-up work	
(8) Commission implementing measures	Regulation (EEC) No 3077/87 — Official Journal L 291, 15.10.1987 Commission Regulation of 14 October 1987 laying down provisions for the implementation of Council Regulation (EEC) No 3842/86 laying down measures to prohibit the release for free circulation of counterfeit goods.

1. CONTROL OF GOODS

1.29. Waste: transfer of radioactive waste: supervision and control

(1) Objective	To lay down a system of prior authorization for all movements of radioactive waste in order to increase protection against the dangers arising from ionizing radiation.
(2) Community measures	Council Directive 92/3/Euratom of 3 February 1992 regarding the supervision and control of transfers of radioactive waste between Member States coming in and out of the Community.
(3) Contents	1. The Directive applies to shipments of radioactive waste between Member States and shipments entering and/or leaving the Community. It does not cover the shipment of a sealed source which is returned to the supplier of the source by its user. However, this exemption does not apply to sealed sources containing fissile material. 2. It provides for a common, mandatory system of notification and a uniform control document for the transfer of radioactive waste. 3. The proposed system covers all transfers of radioactive waste within the Community, including transfers within a Member State and the importation and exportation of radioactive waste. 4. The system applies to all shipments of radioactive waste between Member States and into and out of the Community. 5. For each shipment of radioactive waste the holder must submit an application to the competent authorities of the country of origin. Where a shipment is made from a Member State to a third country, the competent authorities of the Member State of origin must inform the competent authorities of the country of destination. 6. The Directive lays down that the competent authorities may not authorize a transfer unless there is sufficient proof that the recipient of the radioactive waste is technically able to manage the waste in a suitable manner. 7. The Directive states that any conditions laid down by the competent authorities in respect of the shipment of radioactive waste within the Community may not be more stringent than those laid down by the national law of a Member State in respect of the shipment of radiaoctive waste on its territory. 8. The system also contains several features of the Basle Convention of 22 March 1989 on the control of transboundary movements of hazardous waste and its disposal. 9. Provision is made for radioactive waste shipments which do not comply with this Directive to be returned to the holder. 10. The Commission must prepare a summary report on the implementation of this Directive for the Council, the European Parliament and the Economic and Social Committee after 31 January 1994.
(4) Deadline for implementation of the legislation in the Member States	1.1.1994

(5) Date of entry into force (if different from the above)	
(6) References	Official Journal L 35, 12.2.1992
(7) Follow-up work	
(8) Commission implementing measures	

1. CONTROL OF GOODS

1.30. Waste: supervision and control of the transfrontier shipment of hazardous waste

(1) Objective

To remove differences between Member States' procedures for the supervision and control within the Community of the transfrontier shipment of hazardous waste. To establish a prior notification system for all movements of hazardous waste.

(2) Community measures

Council Directive 84/631/EEC of 6 December 1984 on the supervision and control within the European Community of the transfrontier shipment of hazardous waste.

Council Directive 86/279/EEC of 12 June 1986 amending Directive 84/631/EEC on the supervision and control within the European Community of the transfrontier shipment of hazardous waste.

(3) Contents

Directive 84/631/EEC

1. Member States must ensure the supervision and control of the transfrontier shipment of hazardous waste, whether within the European Community or into/out of the Community.
2. Definitions of the terms 'hazardous waste', 'competent authorities', 'producer of the waste', 'holder of the waste', 'consignee of the waste' and 'disposal'.
3. Where the holder of the waste intends:
— to ship it or to have it shipped from one Member State to another, or
— to have it routed through one or more Member States, or
— to ship it to a Member State from a third State,
he must notify the competent authorities of the Member States concerned by means of a 'uniform consignment note' (see Annex I).
4. A transfrontier shipment may not be executed until the competent authorities of the Member State of destination have acknowledged receipt of the notification. In the case of waste for disposal outside the Community or waste from a third country in transit through the Community, the competent authorities are those of the last Member State through which the shipment is due to pass. A copy of the acknowledgement must be sent to the consignee of the waste and to the competent authorities of the other Member States concerned.
5. Objections on the grounds of environmental protection, public health or safety may be raised and forwarded to the holder of the waste.
6. The holder of the waste may use a general notification procedure where waste having the same physical and chemical characteristics is shipped regularly to the same consignee.
7. Upon receipt of the acknowledgement, and before shipment is carried out, the holder must complete the consignment note and send a copy to the competent authorities of the Member States and third States concerned.
8. Transfrontier shipments can take place only if the waste is properly packed, labelled and accompanied by instructions to be followed in the event of danger or accident. The instructions must be in the languages of the Member States concerned.
9. The 'polluter pays' principle: the cost of implementing the notification and supervision procedure must be charged by the Member

State concerned to the holder and/or the producer of the waste, provided that this cost is comparable to that which would arise if those same shipments were carried out within that Member State.
10. Member States must forward to the Commission the names and addresses of the competent authorities. They must also send the Commission a report on the implementation of this Directive.

Directive 86/279/EEC
1. Transfrontier shipments of hazardous waste, whether within the European Community or into/out of the Community, must be notified by the holder of the waste concerned. This notification must be addressed either to the competent authorities of the Member State of destination (in the case of intra-Community shipments) or to the competent authorities of the Member State of dispatch (in the case of shipment from a Member State to a third country) or to the competent authorities of the last Member State through which the shipment is due to pass (in the case of waste from a third country in transit through the Community). Where waste is being exported from the Community, prior agreement must be obtained from the third State of destination.
2. Shipments must be notified by means of a uniform consignment note.
3. The holder of the waste may use a general notification procedure where waste having the same characteristics is shipped regularly to the same consignee.
4. Transfrontier shipment may not be carried out until the competent authorities have acknowledged receipt of the notification.
5. Under this Directive, the competent authorities may not lay down more stringent conditions for the intra-Community shipment of hazardous waste than those laid down in national law in respect of similar shipments effected wholly within the Member State in question.

(4) Deadline for implementation of the legislation in the Member States

— Directive 84/631/EEC: 1.10.1985
— Directive 86/279/EEC: 1.1.1987

(5) Date of entry into force (if different from the above)

(6) References

Official Journal L 326, 3.12.1984
Official Journal L 181, 4.7.1986

(7) Follow-up work

A new proposal for a Regulation has been put before the Council (summary 1.31).

(8) Commission implementing measures

Directive 85/469/EEC — Official Journal L 272, 12.10.1985
Commission Directive of 22 July 1985 adapting to technical progress Council Directive 84/631/EEC on the supervision and control within the European Community of the transfrontier shipment of hazardous waste.

1. CONTROL OF GOODS

1.31. Waste: supervision and control of transfrontier shipments of waste

(1) Objective

To establish a prior authorization system for all movements of waste.

(2) Proposal

Proposal for a Council Regulation on the supervision and control of shipments of waste within, into and out of the European Community.

(3) Contents

1. The Regulation applies to shipments of waste, both within and into or out of the European Community, and to waste transported between Member States but routed through one or more third countries. It does not apply to non-hazardous waste intended for further use and which appears on a list to be drawn up in accordance with the Committee procedure.
2. The Regulation concerns the application by the Member States of a system of prior authorization for the shipment of waste.
3. It provides for a common, compulsory notification system and for a standard consignment note for shipments of waste.
4. The notifier (the original producer, the holder or the person designated by the laws of the State of dispatch in the case of waste imported into or in transit within or through the Community) must apply for authorization to the competent authorities of destination. This application may cover a number of shipments of waste during a maximum period of one year, where waste having essentially the same characteristics is shipped regularly to the same consignee.
5. Where waste is exported from a Member State to a third State, the notifier must apply for authorization to the competent authority of dispatch.
6. Waste may not be shipped to a third State until the competent authorities of destination or dispatch have acknowledged receipt of the application for authorization of the shipment.
7. Waste which does not comply with the provisions of this Regulation regarding its shipment must be returnable to the notifier.
8. All shipments out of the Community of waste intended for disposal are prohibited, except to EFTA countries which are parties to the Basle Convention. All shipments out of the Community of waste intended for recovery are prohibited, except those directed to OECD countries which are parties to the Basle Convention or to third countries which are parties to the Basle Convention and which have concluded a bilateral agreement with the Community.
9. Member States must take the necessary steps to inspect, sample and monitor waste shipments.
10. Council Directive 84/631/EEC (summary 1.30) will be repealed as soon as this Regulation enters into force.

(4) Opinion of the European Parliament

First reading: Parliament approved the Commission's proposal, subject to certain amendments. The Commission has accepted some of these amendments.

(5) Current status

On 20 October 1992 the Council reached political agreement on a common position. Formal adoption of this common position is scheduled for the next meeting.

(6) References	Commission proposal COM(90) 415 final	Official Journal C 289, 17.11.1990
	Amended proposal COM(92) 121 final	Official Journal C 115, 6.5.1992
	European Parliament opinion First reading	Not yet published
	Economic and Social Committee opinion	Official Journal C 269, 14.10.1991

1. CONTROL OF GOODS

1.32. Specimens of species of wild flora and fauna

(1) Objective

To improve and tighten up implementation in the Community of the Convention on International Trade in Endangered Species of Wild Flora and Fauna (Cites).

(2) Proposal

Proposal for a Council Regulation (EEC) laying down provisions with regard to possession of and trade in specimens of species of wild flora and fauna.

(3) Contents

1. This Regulation applies to internal and external trade in and the possession of specimens of the species of wild flora and fauna listed in the annex to the Regulation. It repeals and replaces Council Regulation (EEC) No 3626/82 (Official Journal No L 384, 31.12.1982), which was found to contain a number of administrative and technical deficiencies.
2. Definitions of 'committee', 'convention', 'country of origin', etc.
3. Introduction into the Community, from a third country or from the sea, of specimens of the species listed in Annex A is subject to prior presentation of an import permit at the customs office at which the customs formalities are completed. This import permit must be issued by a management authority in the same Member State as the place of destination of the specimens.
4. Similarly, export and re-export from the Community is subject to prior presentation of an export permit or re-export certificate.
5. No permit or certificate is required for specimens which will transit through the Community, subject to certain conditions (in particular, the specimen must have been exported or re-exported from a country which is a signatory to the Convention).
6. The permits and certificates are valid throughout the Community. However, Member States may reject an application for a permit or certificate in certain cases. They must inform the Commission immediately, giving details of the reasons for rejection. The Commission will set the charge to be levied by the Member States for processing any application for a permit or a certificate.
7. The permits and certificates presented at the customs offices will be returned to the management authority of the Member State in which the offices are situated, which will subsequently return them to the management authorities which issued them.
8. Prohibitions relating to internal trade and to specimens of endangered species. For example, possession of any specimen of a species listed in Annex A is prohibited except where proof can be provided that it was acquired in conformity with the legislation in force. The Commission may place restrictions on the possession of specimens of critically endangered species.
9. The Member States must designate and notify the Commission of the customs offices responsible for the various procedures provided for by the Regulation and of the names and addresses of the management authorities, scientific authorities and other authorities empowered to grant permits or certificates.
10. The Member States and the Commission must also provide each other with the information needed in order to implement this Regulation.

(4) Opinion of the European Parliament	Not yet delivered.
(5) Current status	The proposal has been sent to the European Parliament for their opinion.
(6) References	Commission proposal COM(91) 448 final — Official Journal C 26, 3.2.1992 Economic and Social Committee opinion — Official Journal C 223, 31.8.1992

1. CONTROL OF GOODS

1.33. Approval of explosives intended for civilian use

(1) Objective

To harmonize the laws of the Member States relating to explosives, their movement and their inspection.

(2) Proposal

Proposal for a Council Directive on the inspection, marketing and mutual recognition of approvals of explosives for civilian use.

(3) Contents

1. The Directive defines explosives by reference to the 'United Nations Recommendations on the transport of dangerous goods' as published by the United Nations ('Orange Book'). The Directive does not apply to explosives for military or police use or to pyrotechnical articles. Specific arrangements are laid down for munitions.
2. In order to be able to be placed on the market explosives must, by the end of a transitional period, comply with the essential safety requirements. Compliance will be verified by outside bodies.
3. Where there is a presumption of compliance, the manufacturer may affix the EC mark to the product, which enables the product to be accepted throughout the Community.
4. In view of the removal of physical checks at frontiers, the proposal introduces an alternative system of monitoring of all transfers of explosives conducted within the Community. Account is moreover taken of the instances where specific safety requirements are imposed. Where this is the case transfers must be covered by a prior authorization. Authorization by the recipient or transit Member State takes the form of a document accompanying the explosive to its final destination.
5. Member States shall, before 31 December 1992, set up information-exchange networks in order to implement the Directive. They will keep a register of all companies involved in the explosives sector holding an approval or authorization and shall specify the sanctions to be applied in the event of non-compliance with the Directives.

(4) Opinion of the European Parliament

First reading: Parliament approved the Commission's proposal subject to certain amendments. The Commission accepted some of these amendments.

(5) Current status

The Council adopted a common position on 17 December 1992. Under the cooperation procedure this is now before Parliament for a second reading.

(6) References

Commission proposal COM(92) 123 final	Official Journal C 121, 13.5.1992
Amended proposal COM(92) 524 final	Not yet published
European Parliament opinion First reading	Not yet published
Economic and Social Committee opinion	Official Journal C 313, 30.11.1992

1. CONTROL OF GOODS

1.34. Single market in agricultural products: common organization of the market: bananas

(1) Objective

To set up a common organization of the market to replace the different national arrangements in the banana market.

(2) Proposal

Proposal for a Council Regulation (EEC) setting up a common organization of the banana market.

(3) Contents

1. The common organization of the market covers the following products: fresh, dried, frozen and preserved bananas and all banana-based preparations.
2. Common quality and marketing standards: after obtaining the opinion of a Management Committee for Bananas, the Commission will lay down quality and marketing standards, marketing stages, application measures and controls to ensure that these standards are complied with. Except in the case of derogations, products for which common standards have been laid down may be marketed within the Community only if they comply with these standards.
3. Producers' organizations and concertation mechanisms: associations of producers or of producers' organizations as referred to in the Regulation may participate in the preparation of the measures provided for in operational programmes. Such operational programmes define the measures to be undertaken in the banana sector to achieve at least two of the following objectives:
— a quality and commercial strategy for the products of a given area in the light of likely developments in costs and markets;
— improved utilization of resources while respecting the environment;
— greater competitiveness.
4. Aid scheme: compensation for any loss of income is in principle granted only to Community producers who are members of an organization. The maximum quantity of bananas produced in the Community and marketed for which compensation may be paid is fixed at 854 000 tonnes, broken down by producer regions (Canaries, Guadeloupe, Martinique, Madeira and Crete). Compensation is calculated on the basis of the difference between the 'flat-rate reference income' for bananas produced and marketed within the Community and the 'average production income' obtained on the Community market during the year in question for bananas produced and marketed within the Community. The Regulation specifies the method for calculating the 'flat-rate reference income' and the 'average production income'. A single premium, fixed at ECU 1 000 per hectare, is granted to producers in the Community who cease to produce bananas.
5. Trade with third countries: each year a forecast supply balance is prepared of production and consumption of bananas in the Community and of imports and exports. Imports of bananas from non-ACP third countries ('third-country bananas') or quantities imported from ACP States in excess of the quantities exported by the ACP States to the Community in 1990 ('non-traditional ACP bananas') are subject to a basic quota (two million tonnes) and an additional quota fixed on the basis of the forecast supply balance. Management of 70% of the total volume of both quotas is open to importers established in the

Community who, during 1989-91, marketed on their own account a minimum quantity, to be determined, of third-country or non-traditional ACP bananas. The remaining 30% is managed under partnership arrangements: an import licence is issued to importers established in the Community who undertake to market in the Community a given quantity of Community and/or traditional ACP bananas. The Regulation lays down the details of the partnership arrangements. Import licences are transferable subject to certain conditions.
6. Except where the Regulation provides otherwise, the provisions of the Treaty concerning State aids apply to the production of, and trade in, bananas and banana products.

(4) Opinion of the European Parliament

Parliament approved the Commission's proposal subject to some amendments. The Commission accepted some of these amendments.

(5) Current status

At its session of 14 December 1992, the Council reached agreement on the external aspects of the common market organization (CMO). The Commission's proposal is to be reformulated as agreed. According to the schedule put forward by the Council, the CMO in bananas is to be published on 1 March 1993 and is due to enter into force on 1 July 1993. The Commission has authorized the use of Article 115 of the Treaty by the United Kingdom and France for the period from 1 January 1993 to 30 June 1993. Spain and Portugal will benefit from the provisions laid down in the Act of Accession.

(6) References

Commission proposal COM(92) 359 final	Official Journal C 232, 10.9.1992
European Parliament opinion	Not yet published
Economic and Social Committee opinion	Not yet published

1. CONTROL OF GOODS

1.35. Single market in agricultural products: abolition of the monetary compensatory amounts mechanism

(1) Objective

To abolish from 1 January 1993 the need for frontier checks resulting from the existence of monetary compensatory amounts.

(2) Proposal

Proposal for a Council Regulation (EEC) on the value of the unit of account and the conversion rates to be applied for the purposes of the common agricultural policy.

(3) Contents

1. In anticipation of the completion of economic and monetary union (EMU), this Regulation is intended to define the conversion rate into national currencies to be used for agricultural prices and amounts expressed in ecus when the mechanism of monetary compensatory amounts is abandoned, this being incompatible with the absence of frontiers in the single market, together with the green ecu mechanism, which is incompatible with the CAP guidelines.
2. The Regulation defines the terms 'legal instruments relating to the common agricultural policy', 'fixed currencies', 'representative market rate', 'agricultural conversion rate' and 'monetary gap'.
3. In the legal instruments relating to the common agricultural policy and in the administrative documents drawn up by the Community and the Member States to implement them, the unit of account is the ecu.
4. The agricultural conversion rate is fixed by the Commission as a function of the representative market rate in accordance with the provisions of the Regulation. A specific conversion rate more closely reflecting the economic circumstances may be defined in order to forestall risks of market distortion of monetary origin. The initial agricultural conversion rate is to be equal to the representative market rate for a significant period of the month preceding the date on which it takes effect.
5. The Regulation lays down the circumstances under which a change in the agricultural conversion rate may be undertaken and the method of calculating the new rate. It also provides for the adjustment of the agricultural conversion rates in the event of a monetary realignment.
6. The Regulation provides for the use of the representative market rate for the national currency of a third country to convert amounts expressed in ecus into the national currency of that third country, and vice versa. To avoid risks of market distortion of monetary origin the Commission may permit the use of conversion rates more closely reflecting the actual economic circumstances, in accordance with the rules laid down by the Regulation.
7. The Regulation identifies the operative event for the agricultural conversion rate as the completion of customs import or export formalities in the case of amounts collected or granted in trade with third countries and the event whereby the economic objective of the operation is attained in all other cases. A specific operative event may be determined in cases and according to a procedure laid down by the Regulation.
8. Compensatory aid may be granted to farmers by Member States affected by currency revaluations for products and in accordance with a calculation method defined in the Regulation. The Community will make a partial contribution to financing the compensatory aid and that

	contribution is deemed to be intervention intended to stabilize the agricultural markets. 9. Appropriate safeguard clauses and measures derogating from the Regulation may be adopted by the Commission where unusual monetary practices are liable to upset the application of the legal instruments relating to the common agricultural policy. 10. The arrangements laid down in the Regulation are to be reviewed before 31 December 1996 to take account of the introduction of the parities fixed irrevocably under economic and monetary union.
(4) Opinion of the European Parliament	Not yet delivered.
(5) Current status	The proposal has been sent to Parliament for its opinion.
(6) References	Commission proposal COM(92) 275 final — Official Journal C 188, 25.7.1992 Economic and Social Committee opinion — Not yet published

1. CONTROL OF GOODS

1.36. Single market in agricultural products: adaptation of transitional measures (Spain and Portugal)

(1) Objective

To repeal or adapt the transitional measures applicable pursuant to the Act of Accession to Spanish and Portuguese agricultural products so as to overcome the problems posed by the completion of the single market on 1 January 1993.

(2) Proposal

Proposals for Council Regulations repealing or adapting transitional measures applicable to agricultural products pursuant to the Act of Accession of Spain and Portugal with a view to the single market.

(3) Contents

1. The abolition of internal frontier controls presents a particular problem for the transitional arrangements laid down for agricultural products by the Act of Accession of Spain and Portugal. The transitional provisions for some of their products will continue to apply until 31 December 1995, and in certain cases even beyond that date. They call for controls hitherto conducted by customs during the completion of formalities for release for consumption.
2. The proposals for Council Regulations encompass 12 proposed Regulations often amending previous Regulations. They can be grouped into four areas.
3. Price proposals
Four proposals relate to the early alignment on 1 January 1993 of Spanish and Portuguese prices on the common prices and so mean abolition of the accession compensatory amounts (ACAs) on that date. They are for:
— modification of the transitional arrangements for common organization of the cereals and rice markets in Portugal provided for by Regulation (EEC) No 3653/90;
— application of the common price for milk powder in Portugal;
— application in Spain of the derived price for sugar and of the basic price for beet specified under the market organization for sugar;
— application of the common intervention price for olive oil in Spain and in Portugal.
The first three proposals relate to products for which the Spanish or Portuguese prices are higher than the common prices. Application of the common prices will thus mean a fall in prices in these countries and the Commission's proposals therefore include aid to offset the resultant losses. The cereals and rice proposal also includes abolition of the fixed components for derived cereal and rice products. Nevertheless, the situation will be monitored and any necessary transitional measures will be put in place. The sugar sector proposal takes account, at the prices level, of the shortfall on the Spanish market and also contains measures to facilitate restructuring of the Spanish sugar industry.
4. Proposal relating to the compensation mechanism for fruit and vegetables
This Regulation abolishes the compensation mechanisms for fruit and vegetables; the Commission considers that protection of the markets of the Member States of the Community as constituted at 31 December 1985 can be ensured by retaining the supplementary trade mechanism for the most sensitive Spanish products. The Commission also believes

that the compensatory mechanisms for fruit and vegetables introduced by the Act of Accession should be repealed, since they would be impossible to apply without frontier controls.

5. Proposals relating to the supplementary trade mechanism

There are four proposals:

— The first concerns the list of products to which the mechanism will continue to apply in Portugal. It comprises live bovine animals and two products covered by the common market organization (CMO) in fruit and vegetables (oranges and apples other than cider apples).

— The other three were drawn up in order to introduce the broad principles of the new monitoring arrangements for the supplementary trade mechanism (STM) into three Council Regulations already in force on this subject:

  • Regulation (EEC) No 569/86 applicable currently to all products with the exception of fruit and vegetables and covering both Spain and Portugal;
  • Regulation (EEC) No 3210/89 covering fruit and vegetables consigned from Spain to the Community of Ten;
  • Regulation (EEC) No 3651/90 covering Portuguese imports of fruit and vegetables from the other Member States.

All these proposals are based on the principle that monitoring of the STM will be first and foremost the responsibility of the importing countries. However, the authorities of the other Member States will collaborate with the exporting countries to detect and suppress irregularities. In addition, the proposals amending Regulation (EEC) No 3210/89 laying down general rules for applying the supplementary trade mechanism to fresh fruit and vegetables and Regulation (EEC) No 3651/90 laying down general rules for applying the supplementary trade mechanism to trade in fresh fruit and vegetables between Portugal and the other Member States provide for application of similar controls during sensitive periods. Nevertheless, in the event of persistent serious disturbance, the three proposals provide for appropriate measures allowing a derogation from the provisions of the market organizations for local and regional markets.

6. Proposals designed to take account of farmers' income and the structural situation in Portuguese agriculture following abolition of the STM

The proposals provide for the following measures:

— broadening for Portugal of the reallocation criteria for milk sector reference quantities available under the production abandonment scheme and Community financing of the reallocation within the limit of an additional ECU 38.5 million;

— increased aid for the establishment and operation of producer organizations;

— an increase in the suckler cow premium to ECU 160 per eligible animal for three years (1993-94-95).

7. These proposals are aimed at a closer integration of Spain and Portugal into the single market by amending the procedures laid down by the Act of Accession.

(4) Opinion of the European Parliament

Not yet delivered.

(5) Current status

The proposal has been sent to the European Parliament and the Economic and Social Committee for their opinions.

(6) References

Commission proposal
COM(92) 253 final — Official Journal C 335, 18.12.1992

1. CONTROL OF GOODS

1.37. Dual-use goods and technologies

(1) Objective

To ensure that Member States carry out effective controls on the exportation or re-exportation from the Community of certain dual-use goods and technologies, so that the corresponding controls currently applied in respect of intra-Community trade can be removed.

(2) Proposal

Proposal for a Council Regulation on the control of exports of certain dual-use goods and technologies and of certain nuclear products and technologies.

(3) Contents

1. 'Dual-use goods' is defined as 'any of the goods, related technologies (technical and scientific information, including know-how and engineering expertise), as well as certain nuclear products and technologies, which can be used for both civil and military purposes and which appear on a list to be enacted in a complementary regulation to this Regulation.'
2. The exportation of these goods and technologies is subject to authorization by the authorities in the Member States. Even if the goods are not listed, an exporter must seek authorization to export them where they are intended for any of a number of uses set out in Article 4. Member States may prohibit the exportation of unlisted goods where the competent authorities have reason to believe that they may be used for purposes which are incompatible in particular with the country's international commitments.
3. An export authorization is granted by the competent authorities in the Member State concerned and is valid throughout the Community. There is provision for simplified formalities. To ensure that the names of the competent national authorities are a matter of public record throughout the Community, the Commission will publish a list of them in the C series of the Official Journal.
4. To avoid the danger that authorization might be granted by one of them and refused by another, Member States are required to apply the same stated criteria in deciding whether to grant authorization. Exporters must supply the authorities with all the information in their possession relevant to an application. Authorization may be withdrawn if it transpires that false or incomplete information was supplied.
5. Member States may limit the number of customs offices at which export formalities may be completed.
6. To ensure that there is strict control of exports at the Community's external border, the authorities in the Member States are to cooperate closely and to exchange all relevant information.
7. Exporters must supply appropriate documentation for control purposes: commercial documents must contain specified information, and commercial records must be kept available for inspection by the authorities.
8. Member States are to take all necessary measures to satisfy themselves that interested parties are fully aware of their obligations.
9. During the period in which the single market is being completed, there is a danger of deflection of trade, and the Commission has included a provision under which trade in these goods inside the Community may be subjected to some measure of control for not more than a year after the Regulation enters into force.

(4) Opinion of the European Parliament	Not yet delivered.
(5) Current status	The Member States have agreed that, as from 1 January 1993, intra-Community trade in dual-use goods and technologies will no longer be subject to control at the Community's internal frontiers but will instead be subject only to controls carried out as part of normal control procedures applied in a non-discriminatory manner throughout the Community.
(6) References	Commission proposal COM(92) 317 final — Official Journal C 253, 30.9.1992

1. CONTROL OF GOODS

1.38. Product safety

(1) Objective

To make safety a general requirement at Community level so that producers can place only safe products on the market.

(2) Community measures

Council Directive 92/59/EEC of 29 June 1992 on general product safety.

(3) Contents

1. Definitions of the concepts of 'product', 'safe product', 'dangerous product', 'producer', 'distributor'.
2. The Directive applies mainly to consumer products.
3. The provisions of the Directive apply in so far as there are no specific provisions in rules of Community law governing the safety of the products concerned.
4. A product is regarded as safe if it conforms to the specific Community provisions governing its safety. In the absence of such provisions, the product must conform to the specific national health and safety rules applicable before it can be marketed in the Member State in whose territory it is in circulation. In the absence of Community or national rules, the conformity of a product must be assessed having regard to:
— voluntary national standards giving effect to European standards;
— Community technical specifications;
— standards drawn up in the Member State in which the product is in circulation;
— codes of good practice in respect of health and safety in the sector concerned;
— the state of the art and technology.
5. The Member States must establish administrative infrastructures to enable hazardous or dangerous products to be identified so as to ensure compliance with the general safety requirement.
6. The Directive gives a non-restrictive list of measures which the Member States must be able to take in order to enforce compliance with the general safety requirement.
7. The Directive has a general saving clause which applies to consumer products which do not conform to the Community or national rules applicable, which could place the health and safety of consumers at risk but do not present a serious or immediate danger, and which are not yet covered by an equivalent procedure at Community level. Under this provision, any Member State may impose restrictions on the products in question, but must inform the Commission, which is then required to issue an opinion on the appropriateness of the measures taken.
8. In the case of a product which presents a serious and immediate risk extending beyond the territory of the Member State concerned, the Member State must notify the Commission that it has taken or is going to take emergency measures to restrict or prevent the marketing of that product. The Commission will check to see whether the product complies with the provisions of the Directive and will forward the information to the other Member States, which, in turn, must immediately inform the Commission of any measures they adopt to deal with the problem.

	9. In certain circumstances, and in particular where the Member States differ on the measures to be taken and where the specific Community procedures prove inadequate to deal with the risk, the Directive provides for a Community procedure for the adoption of emergency measures. Under this procedure, the Commission, assisted by a Committee on Product Safety Emergencies, may decide to require the Member States to take identical measures within a certain time-limit with regard to the allegedly dangerous product. 10. Reasons must be given for any decision adopted under the Directive, and it may be challenged before the competent courts.
(4) Deadline for implementation of the legislation in the Member States	29.6.1992
(5) Date of entry into force (if different from the above)	
(6) References	Official Journal L 228, 11.8.1992
(7) Follow-up work	
(8) Commission implementing measures	

2. CONTROL OF INDIVIDUALS

1992 target: current position and outlook

The abolition of all border controls on individuals travelling within the Community involves the adoption of parallel measures concerning travellers and the goods they carry.

These measures seek to ensure, notably through machinery to promote cooperation, a comparable level of protection for citizens against terrorism, drugs, illegal immigration and crime in general. The controlling authorities must, therefore, carry out comparable checks at the external frontiers.

A detailed work programme produced by the Coordinators Group (set up by the Rhodes European Council in 1988) and approved by the Madrid European Council in June 1989 (the 'Palma document') identifies the measures needed to abolish controls on individuals and their baggage at frontiers.

All the back-up measures relating to baggage (firearms, cultural goods, taxation, etc.) have since been adopted by the Council. On 1 January 1993, therefore, controls on the baggage of persons crossing an internal frontier, whether by land, sea or air, were discontinued.

On the other hand, there has been some slippage from the agreed timetable in the case of the back-up measures relating to individuals that are being prepared by intergovernmental bodies.

Although considerable progress has been made in the field of police cooperation, three essential measures have not yet entered into force:

— the Dublin Asylum Convention has been ratified by four Member States only (the United Kingdom, Greece, Denmark and Luxembourg);
— the draft External Frontiers Convention has not yet been signed;
— the Convention on the European Information System is still being drawn up.

The Member States, including those forming the Schengen group, consider that these back-up measures are an essential prerequisite for the opening-up of internal frontiers. This is a view which the Commission, however, has never shared.

On top of this, there are technical difficulties at airports. The abolition of controls on individuals necessitates changes to their infrastructure. It has not been possible to put these into effect before 1 January 1993.

Lastly, there is disagreement over the scope of Article 8a as far as the free movement of persons is concerned. Unlike the Commission and the other Member States, Ireland, Denmark and, above all, the United Kingdom consider that the abolition of controls on individuals concerns only Community nationals and that they are therefore entitled to retain controls on third-country nationals.

As a result, the Member States did not completely abolish controls on individuals at internal frontiers on 1 January 1993.

However, as indicated in the conclusions of the Edinburgh European Council in December 1992, noticeable changes benefiting travellers should occur during 1993:

— The Member States that have signed the Schengen Agreement (Belgium, France, Germany, Greece (since November 1992), Italy, Luxembourg, the Netherlands, Portugal and Spain) will put the Agreement into effect during 1993, as soon as the preconditions for its implementation are fulfilled. For this group of countries, the abolition of controls will be effective from that date at land and maritime frontiers and from 1 December 1993 (at the latest) at air frontiers;

— Other Member States have made known their intention to take various measures to lighten controls at frontiers on Community nationals.

2. CONTROL OF INDIVIDUALS

2.1. Arms legislation

(1) Objective

To abolish controls on the possession of weapons at internal Community borders.

(2) Community measures

Council Directive 91/477/EEC of 18 June 1991 on the control of the acquisition and possession of weapons.

(3) Contents

1. The Directive defines the terms 'weapon' and 'firearm', which also cover ammunition. The term 'dealer' is used to denote a person whose trade or business consists wholly or partly in the manufacture, trade, exchange, hiring out, repair or conversion of firearms. The Directive does not apply to the acquisition or possession of weapons and ammunition, in accordance with national law, by the armed forces, the police, or the public authorities or by collectors or recognized cultural and historical bodies.
2. Member States may adopt more stringent provisions.
3. To do business dealers require authorization. However, Member States may make the pursuit of the activity of dealers subject to a mere declaration where only firearms classified in categories C or D described below are dealt in. Dealers must keep detailed records of all transactions involving firearms classified in categories A, B or C, giving details which enable the weapon to be identified (type, make, model, calibre and serial number) and the names and addresses of the supplier and the person acquiring the weapon. The records must be kept for five years, even where the dealer stops trading.
4. Basing itself on the progress made in talks on the subject between the Member States party to the Schengen Agreement, the Directive effects a partial harmonization of weapons legislation, with Member States remaining free to maintain or to introduce domestic legislation which is more stringent than the rules in the Directive. The Directive divides firearms into four categories:

A — prohibited firearms: mainly military weapons and those considered particularly dangerous;
B — firearms subject to authorization: these are mainly defensive weapons;
C — firearms subject to declaration: these are mainly hunting guns;
D — unrestricted firearms: these are shotguns of the least dangerous class.

5. Member States are to prohibit the acquisition and possession of weapons and ammunition classified in category A, though they may grant authorization in special cases where this is not contrary to public security or public order. Member States may allow the acquisition and possession of firearms classified in category B only by persons who have good cause and who:

— are 18 years old or more, except for hunting or target- shooting;
— are not likely to be a danger to themselves, to public order or to public safety.

Member States may allow the possession of firearms classified in categories C and D only by persons satisfying the same conditions.
6. Persons are deemed to be residents of the country indicated by the address on any identity document which they submit to the authorities of a Member State or to a dealer when a check is made on possession

or on acquisition. If the person concerned is resident in the Member State in which he acquires the weapon, authorization to acquire it is to be a matter for that State alone. If he is resident in another Member State authorization is to require the agreement of both States. Authorization to possess a weapon depends only on the Member State in which the weapon is held, even if the person concerned is resident in another Member State. Member States are to prohibit the handing over of firearms to any person resident in another Member State unless he has authorization to receive them.

7. Firearms may be transferred from one Member State to another only if the transfer is authorized by the Member State of departure, and in certain cases by the Member State of destination too. Where a transfer is authorized, a licence is to be issued showing the names and addresses of the seller and the buyer; details allowing the weapon to be identified; the date of departure and estimated date of arrival of the weapon; the address to which the firearm is to be consigned or transported; the number of firearms to be consigned or transported; and the means of transfer. A copy of this licence is to be sent to the Member State of destination and to any Member State through whose territory the weapon is to pass.

8. A temporary transfer procedure is laid down to cover travel. Travellers other than hunters and marksmen will have to obtain the authorization of every Member State they propose to visit while in possession of a firearm. But this will be made easier if the traveller holds a European firearms pass, which will represent proof acceptable to all national administrations that the traveller is lawfully in possession, in his country of origin, of the firearm or firearms mentioned on the pass. The pass, on which any changes concerning the firearm or firearms must be indicated (changes in possession or characteristics, loss or theft), will be valid for a maximum of five years, subject to renewal, or 10 years where only firearms classified in category D appear on the pass.

9. Hunters and marksmen will be entitled to travel to other Member States with their weapons without having to seek prior authorization, on condition that they are in possession of a European firearms pass listing the firearm or firearms they have with them and that they can substantiate the purpose of their journey (hunting, competition, etc.) if called upon to do so in the country visited.

10. The Directive does not affect national rules on the carrying of weapons or regulating hunting or target-shooting. It does not apply to the acquisition and possession of weapons by the armed forces, the police, the public authorities or bodies concerned with the cultural and historical aspects of weapons and recognized as such by the Member State in whose territory they are established. Nor does it apply to trade in munitions. It does not prevent controls carried out by Member States or by the carrier at the time of boarding of a means of transport.

11. Each Member State is to intensify controls on the possession of weapons at external Community frontiers. Member States will be carrying out these controls on behalf of all the Member States.

12. An information exchange network is to be set up between Member States covering all transfers of weapons, whether definitive or not and whether lawful or unlawful, by 1 January 1993.

13. Within five years from the date of transposition of the Directive into national law, the Commission is to submit a report to the European Parliament and to the Council on the situation resulting from the application of the Directive, accompanied, if appropriate, by proposals.

(4) Deadline for implementation of the legislation in the Member States	1.1.1993	
(5) Date of entry into force (if different from the above)		
(6) References	Amending opinion	Official Journal L 256, 13.9.1991 Official Journal L 299, 30.10.1991
(7) Follow-up work		
(8) Commission implementing measures		

2. CONTROL OF INDIVIDUALS

2.2. Tax exemption: international travel

(1) Objective	To facilitate travel and tourism within the Community by increasing tax exemptions.
(2) Community measures	Council Directive 88/664/EEC of 21 December 1988 amending for the ninth time Directive 69/169/EEC on the harmonization of provisions laid down by law, regulation or administrative action relating to exemption from turnover tax and excise duty on imports in international travel.
(3) Contents	1. The value of goods that may be imported free of tax was increased to ECU 390; for children below the age of 15 years, the allowance was increased to ECU 100 and to ECU 85 in the case of Ireland. 2. The unit allowance which Greece is authorized to apply was increased to ECU 310 and that for Ireland to ECU 85.
(4) Deadline for implementation of the legislation in the Member States	1.7.1989
(5) Date of entry into force (if different from the above)	
(6) References	Official Journal L 382, 31.12.1988
(7) Follow-up work	See summary 2.4 on the increase in allowances in intra-Community travel.
(8) Commission implementing measures	

2. CONTROL OF INDIVIDUALS

2.3. Tax exemption: intra-Community travellers' allowances: derogation granted to the Kingdom of Denmark

(1) Objective	To adjust progressively the tax exemptions applied by Denmark.
(2) Community measures	Council Directive 89/194/EEC of 13 March 1989 amending Directive 69/169/EEC as regards a derogation granted to the Kingdom of Denmark relating to the rules governing travellers' allowances on imports.
(3) Contents	1. Danish unit allowance increased to ECU 340 as from 1 January 1990. 2. Extension until 31 December 1990 of the lower allowances for tobacco and spirits imported by residents of Denmark after a stay of less than 48 hours in another country. 3. Abolition of the lower allowances for still wines.
(4) Deadline for implementation of the legislation in the Member States	1.1.1989
(5) Date of entry into force (if different from the above)	
(6) References	Official Journal L 73, 17.3.1989
(7) Follow-up work	See summary 2.4 on the increase in allowances in intra-Community travel.
(8) Commission implementing measures	

2. CONTROL OF INDIVIDUALS

2.4. Tax exemption: increase in allowances in intra-Community travel

(1) Objective

To introduce a transitional phase designed to permit a gradual increase between now and 1992 in the tax-paid allowances for individuals travelling within the Community, given that on completion of the internal market on 1 January 1993 purchases made by travellers inclusive of all taxes will have to be completely liberalized.

(2) Community measures

Council Directive 91/191/EEC of 27 March 1991 amending Directive 69/169/EEC on tax-paid allowances in intra-Community travel and as regards a derogation granted to the Kingdom of Denmark and to Ireland relating to the rules governing travellers' allowances on imports.

(3) Contents

1. The value of goods that may be imported free of tax has been increased to ECU 600; for children under 15 years of age the allowance has been increased to ECU 150 and to ECU 95 in the case of Ireland.
2. The unit allowance which Greece and Denmark are authorized to apply has been increased to ECU 340 and that for Ireland to ECU 95.
3. For travellers resident in Denmark who return there after a stay of less than 36 hours in another country:
— the lower allowances for cigarettes (100) and spirits (nil) are to be extended until 31 December 1991;
— a specific allowance of 12 litres of beer has been introduced up to 31 December 1991 within the overall value limit.
4. Ireland is applying:
— up to 31 December 1991, a quantitative limit of 25 litres of beer within the overall value limit for all travellers to Ireland;
— up to 31 December 1991, the following lower allowances for travellers resident in Ireland who return there after a stay of less than 24 hours outside the country:
  • a value limit of ECU 110 (instead of ECU 620) for travellers arriving from the Community;
  • the following lower quantities:
    — cigarettes: 150;
    — smoking tobacco: 200 g;
    — spirits: 0.75 litres;
    — wine-based products: 1.50 litres;
    — still wines: 1.50 litres;
    — beer: 12 litres (within the overall value limit)

(4) Deadline for implementation of the legislation in the Member States

— 1.7.1991 for points 1 and 2 of Contents
— 8.4.1991 for points 3 and 4 of Contents

(5) Date of entry into force (if different from the above)

(6) References	Official Journal L 94, 16.4.1991
(7) Follow-up work	Possible extension of the derogations referred to in points 3 and 4 of Contents as from 1 January 1992 at a higher level pending their total abolition as from 1 January 1993.
(8) Commission implementing measures	

2. CONTROL OF INDIVIDUALS

2.5. Tax exemption: intra-Community travellers' allowances: exceptions granted to Denmark and to Ireland

(1) Objective	To modify the duty-free allowances applied by Denmark and Ireland.
(2) Community measures	Council Directive 91/673/EEC of 19 December 1991 amending Directive 69/169/EEC to extend and modify the exceptions granted to Denmark and to Ireland relating to travellers' allowances.
(3) Contents	1. Until 31 December 1992, Denmark will apply the same quantitative limits as it applied during 1991. 2. Ireland will apply until 31 December 1992: — a quantitative limit of 30 litres of beer for all travellers to Ireland; — an increased limit per article of ECU 150 (previously ECU 95); — the following lower limits for travellers from Ireland after a stay of less than 24 hours outside the country: • a limit of ECU 175 for travellers from the Community, with a limit per article of ECU 110; • a quantitative limit for beer of 15 litres.
(4) Deadline for implementation of the legislation in the Member States	1.1.1992
(5) Date of entry into force (if different from the above)	
(6) References	Official Journal L 373, 31.12.1991
(7) Follow-up work	
(8) Commission implementing measures	

2. CONTROL OF INDIVIDUALS

2.6. Tax exemption: small consignments of goods of a non-commercial character

(1) Objective	To increase the amount of tax relief on small private consignments of goods of a non-commercial character sent from one Member State to another in order to take account of the increase in the price index.
(2) Community measures	Council Directive 88/663/EEC of 21 December 1988 amending Directive 74/651/EEC on the tax reliefs to be allowed on the importation of goods in small consignments of a non-commercial character within the Community.
(3) Contents	1. The value of the goods that may be exempted from turnover taxes (for example VAT) and excise duties was increased to ECU 110. 2. The unit value of the goods which Ireland is authorized to exclude from the tax exemption was increased to ECU 85.
(4) Deadline for implementation of the legislation in the Member States	1.7.1989
(5) Date of entry into force (if different from the above)	
(6) References	Official Journal L 382, 31.12.1988
(7) Follow-up work	
(8) Commission implementing measures	

2. CONTROL OF INDIVIDUALS

2.7. Tax exemption: permanent import of goods

(1) Objective

To amend or add to Community tax rules on exemption from VAT for permanent import of goods so as to ensure consistency among Member States.

(2) Community measures

Council Directive 88/331/EEC of 13 June 1988 amending Directive 83/181/EEC determining the scope of Article 14(1)(d) of Directive 77/388/EEC as regards exemption from value-added tax on the final importation of certain goods.

(3) Contents

The following relaxations have been made to the existing system:
1. Goods of a total value not exceeding ECU 10 are exempt from VAT on admission. Member States may grant exemption for imported goods of a total value of more than ECU 10 but not exceeding ECU 22 and may refuse to grant exemption for imports on mail order.
2. Reference substances for quality control of medicinal products, sent by the World Health Organization to consignees certified by the competent authorities of the Member States are exempted.
3. Awards, trophies and souvenirs of a symbolic nature and of limited value distributed free (to persons normally resident in a country other than that of import) at international events (congresses and the like) are exempt provided there is no commercial purpose.
4. Subject to certain conditions, printed advertising matter is exempt from VAT provided it relates to:
— goods for sale or hire by a person established outside the Member State of import;
— services offered by a person established in another Member State or transport, commercial insurance or banking services offered by a person established in a third country.
5. Fuel contained in standard tanks of and, up to a maximum of 10 litres per vehicle, portable tanks carried by private and commercial motor vehicles and motor cycles and in special containers is also exempt from VAT. The terms 'commercial motor vehicle', 'private motor vehicle', 'standard tank' and 'special container' are defined in detail.
6. All wedding presents from third countries are also now exempt from VAT provided they do not exceed ECU 200 in value. Member States, however, may grant exemption for up to ECU 1 000.

(4) Deadline for implementation of the legislation in the Member States

1.1.1989

(5) Date of entry into force (if different from the above)

(6) References

Official Journal L 151, 17.6.1988

(7) Follow-up work

(8) Commission implementing measures

2. CONTROL OF INDIVIDUALS

2.8. Tax exemption: permanent import of personal property

(1) Objective	To harmonize and relax the formalities to be completed for obtaining tax exemptions on permanent import of personal property of individuals.
(2) Community measures	Council Directive 89/604/EEC of 23 November 1989 amending Directive 83/183/EEC on tax exemptions applicable to permanent imports from a Member State of the personal property of individuals.
(3) Contents	1. Abolition of the requirement that items of personal property must have been in use for three months prior to importation, except in the case of motor-driven vehicles, caravans, mobile homes, pleasure boats and private aircraft, where the Member States may require six months. 2. The requirement that personal property which was imported tax-free has to be used by the person concerned for at least 12 months after permanent importation before it can be disposed of has been abolished, except in the case of means of transport. 3. An inventory of goods must be drawn up on plain paper and accompanied by a declaration if the Member State so requires. No reference to value may be demanded on the inventory of goods. 4. Member States may impose limits on the duty-free importation of goods listed in Article 4(1) of Council Directive 69/169/EEC (Official Journal L 133, 4.6.1969), but the limits may not be less than four times the quantities referred to there, except in the case of tobacco products, duty-free import of which may be limited to those quantities. 5. Duty-free importation of personal property is granted without any period of use in the case of a change of normal residence on the occasion of a marriage. In addition, exemption is granted for imports of presents given on the occasion of a marriage which are received by a person qualifying for such duty-free importations, subject to a limit of ECU 350 per present. Member States may, however, grant an exemption exceeding ECU 350, provided that the value of each present does not exceed ECU 1 400.
(4) Deadline for implementation of the legislation in the Member States	1.7.1990
(5) Date of entry into force (if different from the above)	
(6) References	Official Journal L 348, 29.11.1989
(7) Follow-up work	
(8) Commission implementing measures	

2. CONTROL OF INDIVIDUALS

2.9. Tax exemption: temporary import of means of transport

(1) Objective

To remove obstacles to the free movement of private vehicles.

(2) Proposal

Proposal for a Council Directive amending Directive 83/182/EEC on tax exemptions within the Community for certain means of transport temporarily imported into one Member State from another.

(3) Contents

Problems in the following areas, among others, should be settled:
1. Hire-cars in intra-Community travel. A resident of a Member State should be able to drive a 'foreign' hired car, which has been temporarily imported, to any other Member State, and in particular to the Member State in which the car-hire company is established. Re-export must take place within eight days.
2. Extension of the exemption to persons other than the one who imported the vehicle temporarily. Apart from the obvious case in which a resident of the Member State of temporary importation should be able to drive a temporarily imported vehicle if the person who imported it is a passenger, it should also be legally permissible for a resident of the Member State of temporary importation to use the vehicle whenever the person who imported it is in that Member State.
3. Company vehicles. The use of a company car placed, by an employer established in a Member State, at the disposal of an employee resident in the Member State of temporary importation for the purpose of carrying out his occupational duties, and the use of a company car by a frontier-zone worker for travelling between his place of work and his normal residence, and in his free time, may no longer be subject to a time-limit. Private use must also be permitted to cover family use.
4. Students. A person who enters a Member State other than that in which he is normally resident in order to take up studies retains his normal residence in the latter Member State. He is entitled, for the duration of his studies, to temporary exemption in respect of his private vehicle. This right also extends to the student's spouse or to a companion who has a stable relationship with him (provided that the legislation of the Member State applies that concept) where the person is normally resident in the Member State in which the studies are carried out.
5. Immobilization in a foreign country. If his own vehicle breaks down during his stay abroad, a resident of a Member State should be entitled to use in his own country, for a reasonable period of time, a private vehicle registered in another Member State which he has hired or borrowed for the purpose of returning home. Such exemption must be granted for the period during which the vehicle is being repaired; this period may not exceed two months, unless the vehicle is retained in connection with police investigations.
6. Short-term hire in order to be able to return home in unforeseen circumstances. A resident of a Member State should be entitled to import temporarily a vehicle registered in another Member State which has been hired from a car-hire company. The period during which he will be entitled to use the vehicle in the Member State in which he is normally resident may not exceed eight days from the start of the hire.

7. Infringements and sanctions. It will no longer be possible for a vehicle imported temporarily without being covered by one of the provisions of Directive 83/182/EEC to be regarded by the Member States as having been imported permanently. Furthermore, it will not be possible for any administrative sanction to be applied if the person who imported the means of transport or who uses it has acted in good faith and can prove that he clearly had no intention of evading taxation in the Member State of importation.
8. Arbitration. Where two Member States claim that the same person has his normal residence in their respective territories, the authorities of those States must consult each other to decide which should be regarded as the country of normal residence for the purpose of taxing the vehicle.

(4) Opinion of the European Parliament

Parliament made several recommendations for amendments, all of which were incorporated in the amended proposal.

(5) Current status

The proposal is currently before the Council for adoption.

(6) References

Commission proposal	
COM(87) 14 final	Official Journal C 40, 18.2.1987
Amended proposal	
COM(88) 297 final	Official Journal C 181, 14.8.1988
European Parliament opinion	Official Journal C 318, 30.11.1987
Economic and Social Committee opinion	Official Journal C 180, 8.7.1987

2. CONTROL OF INDIVIDUALS

2.10. Easing of controls at intra-Community borders

(1) Objective

To ease controls and formalities for Member State nationals when crossing intra-Community borders particularly by abolishing all police and customs formalities.

(2) Proposal

Proposal for a Council Directive on the easing of controls and formalities applicable to nationals of the Member States when crossing intra-Community borders.

(3) Contents

1. The Directive lays down a number of conditions for easing controls and formalities for individuals at internal frontiers. It applies to Member State nationals crossing internal borders who comply with all regulations concerning tax-free import of goods, etc. It applies to all controls and formalities relating to individuals and goods carried by them, including currency. It does not apply to commercial carriage of goods.
2. Member States must ensure that internal border controls and formalities are operated according to the principle of free passage so that Member State nationals can cross borders unchecked. However, Member States are permitted to carry out spot checks, and impose temporary border controls in special circumstances, e.g. for security purposes. This Directive does not apply to security checks at airports.
3. Member State nationals who fulfil these conditions shall be permitted merely to drive across borders at reduced speed (or walk across), enabling officials to stop vehicles for spot checks when considered necessary. Vehicles may fix a disc bearing the letter E on a green background to declare that all occupants are Community nationals with nothing to declare. Customs signs should be removed from borders.
4. In ports and airports special channels for citizens of Member States should be set up.
5. No checks shall be made on individuals crossing borders on international trains.
6. Member States shall confer with each other in the implementation of the Directive.

(4) Opinion of the European Parliament

The European Parliament approved the proposal subject to a number of recommendations for amendment. These included a recommendation that simple visual checks of vehicles should be extended to pedestrians crossing a border between Member States. The Commission adopted these in its modified proposal.

(5) Current status

The amended proposal of the Commission is before the Council for adoption.

(6) References

Commission proposal COM(84) 749 final	Official Journal C 47, 19.2.1985
Amended proposal COM(85) 224 final	Official Journal C 131, 30.5.1985
European Parliament opinion	Official Journal C 122, 20.5.1985
Economic and Social Committee opinion	Official Journal C 169, 8.7.1985

2. CONTROL OF INDIVIDUALS

2.11. Processing of personal data

(1) Objective

To establish a high level of equivalent protection in all the Member States of the Community in order to remove the obstacles to the exchange of data which is necessary if the internal market is to function.

(2) Proposal

Proposal for a Council Directive concerning the protection of individuals in relation to the processing of personal data.

Draft resolution of the representatives of the governments of the Member States of the European Communities meeting within the Council.

Recommendation for a Council Decision on the opening of negotiations with a view to the accession of the European Community to the Council of Europe Convention for the protection of individuals with regard to the automatic processing of personal data.

(3) Contents

Proposal for a Council Directive

1. This Directive provides for an equivalent level of protection of individuals in relation to the processing of personal data in accordance with the same principles in all the Member States. The protection of individuals and the flow of data are guaranteed only in respect of the areas covered by this Directive.
2. Definitions of the concepts of 'personal data', 'depersonalized', 'personal data file', 'processing', 'controller of the file, supervisory authority', 'public sector' and 'private sector'.
3. This Directive applies to all data files in the private and public sector with the exception of files in the public sector where the activities of that sector do not fall within the scope of Community law.
4. Each Member State shall apply the provisions of this Directive to:
— all files located in its territory;
— the controller of a file resident in its territory who uses from its territory a file located in a third country whose law does not provide an adequate level of protection, unless such use is only sporadic.
5. Lawfulness of processing in the public sector. The creation of a file in the public sector and any other processing of personal data shall be lawful only in so far as this is necessary for the performance of the tasks of the public authority in control of the file.
The processing of data for a purpose other than that for which the file was created is lawful if:
— the data subject consents thereto;
— it is effected on the basis of Community law, or of a law, or a measure taken pursuant to a law, of a Member State conforming with this Directive which authorizes it and defines the limits thereto;
— the legitimite interests of the data subject do not preclude such change of purpose;
— it is necessary in order to ward off an imminent threat to public order or a serious infringement of the rights of others.

As regards the processing of personal data in the public sector having as its objective the communication of personal data, the Member States require that this communication be lawful only if:
— it is necessary for the performance of the tasks of the public-sector entity communicating or requesting communication of the data, or
— it is requested by a natural or legal person in the private sector who invokes a legitimate interest, on condition that the interest of the data subject does not prevail.

6. Lawfulness of processing in the private sector. This can be based on the consent of the data subject or, in its absence, on the existence of a contractual relationship between the controller of the file and the data subject. The lawfulness may also be based on the fact that the data come from sources generally accessible to the public and their processing is intended for correspondence purposes, or on a balance of interests which reveals that the controller of the file is pursuing a legitimate interest and the interest of the data subject does not prevail. The data subject must, with some exceptions, be informed of the communication of data to third parties. Provision has been made for a procedure for notifying data files to a national supervisory authority.

7. The Directive also contains a number of provisions relating to the rights of data subjects, such as:
— informed consent;
— provision of information at the time of collection: Member States guarantee the right to be informed to individuals from whom personal data are collected;
— additional rights of data subjects (right of object, access, rectification, etc.);
— exceptions to the data subject's right of access to public-sector files.

8. On data quality, the Directive makes provision for:
— special categories of data: Member States shall prohibit the automatic processing of data revealing sensitive information. They may, on the basis of a law, grant derogations on important public interest grounds. Data concerning criminal convictions may be held only in public sector files;
— data security: the controller of a file is required to take security measures. In the event of on-line consultation, the hardware and software must be designed in such a way that the consultation takes place within the limits of the authorization granted by the controller of the file. Any person who in the course of his work has access to information controlled in files may not communicate it to third parties without the agreement of the controller of the files.

9. Member States may make provisions specifically relating to certain sectors such as the press and audiovisual media, and encourage business circles to participate in drawing up codes of conduct.

10. Personal data may be transferred to a third country only if this country ensures an adequate level of protection. Derogations are possible under certain conditions.

11. A working party on the protection of personal data is set up, composed of representatives of the national supervisory authorities and chaired by a representative of the Commission.

Draft resolution

The governments of the Member States undertake to apply the principles of the general Directive to public-sector files in those parts of the public sector which do not fall within the scope of Community law.

	Recommendation for a Council Decision The Commission requests the Council to authorize it to negotiate a Protocol enabling the Community to accede to the Council of Europe Convention.
(4) Opinion of the European Parliament	First reading: Parliament approved the Commission's proposal subject to certain amendments. The Commission accepted some of these amendments.
(5) Current status	The proposal is currently before the Council for a common position.
(6) References	Commission proposal COM(90) 314 final — Official Journal C 277, 5.11.1990 Amended proposal COM(92) 122 final — Official Journal C 311, 27.11.1992 European Parliament opinion First reading — Not yet published

3. VALUE-ADDED TAX

1992 target: current position and outlook

The abolition of tax frontiers involves the elimination of distortions deriving from VAT systems and rates, and this obliges Member States to apply between themselves a system whereby tax is remitted on exportation and charged on importation, as in trade with third countries. The fact that, in 1967, Member States replaced their turnover tax systems with a VAT system in accordance with Community rules did not change this situation.

In 1985, the Commission drew up guidelines for dismantling tax frontiers based on:

— discontinuation of the system of travellers' tax-free allowances, which gives rise to most of the tax controls on individuals crossing an intra-Community frontier;

— harmonization of structures;

— harmonization of rates;

— abolition of tax formalities through application of the rate of tax applicable in the country of origin and introduction of a clearing mechanism.

All the proposals were before the Council in 1987 but were not examined by it until 1989, with the first measures not being adopted until 1991. These delays have resulted in the introduction of transitional arrangements to apply from 1993 to 1996, pending the entry into force of the system of taxation in the country of origin. In addition, VAT harmonization measures were adopted in 1992 with the aim of preventing distortions of competition.

1. The broad lines of the measures adopted are as follows:

1.1. Under the transitional arrangements introduced on 1 January 1993, the crossing of intra-Community frontiers ceases to be the event giving rise to the levying of VAT (chargeable event). This fundamental change in the organization of trade between firms from different Member States has two consequences:

1.1.1. VAT will in future be charged in the country of destination and exempted in the country of origin on the basis of firms' regular tax returns. This system of collection has created a new need for cooperation between tax authorities via a computerized network permitting the exchange of information required to check transactions. The legal framework for this system has already been established. Firms are therefore no longer required to make an advance payment of the VAT due prior to the importation of goods from other Member States.

Three sets of special arrangements will be implemented in 1993 as regards:

— intra-Community distance selling of goods;

— intra-Community sales of new means of transport (boats, aircraft and motorized land vehicles whose technical characteristics are defined);

— intra-Community purchases of institutional non-taxable persons and exempt taxable persons where those purchases exceed a given threshold.

These arrangements are designed to ensure that the principle of taxation in the country of destination is not misapplied. The Council considered that the introduction, as part of the transitional VAT arrangements, of the three special sets of arrangements described above should prevent most distortions of competition without hampering the free movement of goods or imposing disproportionate burdens on firms or public administrations.

Without altering the substance of these transitional VAT arrangements, the Commission has proposed simplifications and clarifications for:

— intra-Community purchases of products subject to excise duty;

— trade with certain territories which belong to the 'customs territory' of the Community but not to its 'tax territory';

— triangular transactions;

— pleasure craft.

1.1.2. Individuals will be free to purchase and take home any product for their private use (consumption, presents) on the basis of payment of VAT in the country of purchase. This permits the abolition of tax-free allowances, which gave rise to controls impeding the movement of persons. These arrangements are subject to three derogations:

— Denmark will continue to benefit from tax-free allowances on tobacco and alcohol until 1997;

— the purchase of new cars by individuals will remain subject to the tax arrangements in the country of registration;

— tax-free shops will be retained at airports until 1999 in respect of intra-Community flights.

1.2. The process of harmonizing the basis of assessment began in 1977. The directives adopted since then have left untouched a limited number of derogations; those derogations apply in particular to used goods, works of art, collector's items and antiques (summary 3.8), gold transactions (summary 3.12), passenger transport (summary 3.13) and stores for vessels, trains and aircraft (summary 3.7.

1.3. Harmonization of rates is the final objective which, when achieved, will permit transition to the definitive system on 1 January 1997. It involves fixing the number of rates and allocating products and services to a particular rate. It has already been decided that Member States will be authorized to apply, in addition to the standard rate (which must not be less than 15%), one or two reduced rates (which must not be less than 5%) to a limited list of products and services.

2. The new VAT arrangements in the frontier-free Community

The new VAT arrangements, set out in Directive 91/680/EEC, are to apply on a transitional basis from 1 January 1993 to 31 December 1996, the date on which a definitive system is scheduled to come into force. Under the transitional arrangements, cross-border sales between most economic operators will be taxed, in the hands of the buyer, in the Member State of destination. Under the definitive arrangements, sales will be taxed, in the hands of the seller, in the Member State of origin. The difference between the transitional arrangements and the old system is that under the new arrangements, VAT is no longer levied on the importation of goods into Member States. A new system for the payment of VAT on goods moving between countries has been introduced.

Under the new arrangements, a distinction may be made between:

— sales between firms;

— sales to operators not subject to or exempt from VAT;

— sales to individuals.

In the case of sales between firms, sellers may exempt supplies to customers in other Member States if the goods are physically transported from one Member State to another and if the customer is identified for VAT purposes. They must submit different returns

detailing the total amount of exempt intra-Community sales and the VAT numbers of the customers in the other Member States, as well as the total amount of the sales to each of them. The invoices they draw up in respect of the transactions must show both the VAT number of the seller and the VAT number of the customer, as well as all the details that normally have to be shown on an invoice.

In the country of destination of goods sold, buyers must declare the total amount of acquisitions made and may ask to deduct the VAT. The rules relating to the VAT rates applied to acquisitions and to their tax base are broadly the same as those applied to supplies of similar goods within the same Member State.

In order to ensure effective monitoring of the new VAT arrangements, the tax authorities will exchange through a computerized network the information they collect on intra-Community sales.

Non-taxable persons or persons exempt from VAT must, where they make intra-Community acquisitions of a given size, pay the VAT on those acquisitions as if they were subject to tax. The minimum threshold beyond which intra-Community acquisitions will be taxed will be ECU 10 000 per year. Persons exceeding that threshold will be allocated a VAT number.

Individuals will no longer be subject to any VAT or to any frontier formality when they move from one Member State to another. The tax arrangements are therefore the same as those applicable to sales to residents of the Member State in which the acquisition is made.

Tax-free sales at ports and airports will continue to be permitted until 30 June 1999 for intra-Community travellers.

In addition, there are two special sets of arrangements for sales of new means of transport to individuals and for distance sales. New means of transport are considered to be all new or virtually new motor vehicles, aircraft, boats and motor cycles. Their acquisition by individuals will be taxed in the country of destination, which is generally the country in which the means of transport will be registered. In the case of distance sales by VAT-registered enterprises to non-taxable or exempt operators and to individuals, such enterprises must invoice the VAT at the rates in force in the country of destination where such sales exceed a given threshold; if that threshold is not exceeded, they may choose either to invoice the VAT at the rates applicable in the country of destination or at the rates in force in their Member State. The threshold applicable is normally ECU 100 000 per year, although some Member States may opt to apply a threshold of ECU 35 000. This threshold does not include either sales of goods subject to excise duty or sales of new means of transport (such goods generally being taxed in the Member State of destination).

Finally, in the case of trade with third countries, imports will continue to be subject to customs declaration requirements and will be taxed on importation; exports will continue to be exempt subject to the usual customs formalities connected with the export of goods being carried out. There are simplified arrangements for traders wishing to enter third-country goods for free circulation in a Member State before sending them directly to another Member State for use or consumption.

3. VALUE-ADDED TAX

3.1. Uniform basis of assessment: abolition of derogations (18th VAT Directive)

(1) Objective	To abolish a number of the temporary derogations permitted to Member States.
(2) Community measures	Eighteenth Council Directive 89/465/EEC of 18 July 1989 on the harmonization of the laws of the Member States relating to turnover tax abolition of certain derogations provided for in Article 28(3) of the sixth Directive 77/388/EEC (common system of value-added tax).
(3) Contents	The Directive abolishes some of the derogations from the common VAT system provided for in Article 28(3) of Council Directive 77/388/EEC (Official Journal L 145, 13.6.1977); the remaining exceptions include: — transactions in gold, other than gold for industrial use; — services supplied by authors, artists and performers; — those derogations provided for in Article 28(3)(c), (d) and (e) of Directive 77/388/EEC.
(4) Deadline for implementation of the legislation in the Member States	— 1.1.1990: for points 1, 3-6, 8-10 and 12-14 of Annex E; and for points 3, 14 and 18-22 of Annex F — 1.1.1991: for points 4, 13, 15 and 24 of Annex F — 1.1.1992: for point 9 of Annex F — 1.1.1993: for point 11 of Annex F Derogation for Portugal until 1 January 1994 for points 3 and 9 of Annex F.
(5) Date of entry into force (if different from the above)	
(6) References	Official Journal L 226, 3.8.1989
(7) Follow-up work	The Council will review the situation, on the basis of a report and possibly a proposal from the Commission, with a view to completion of the internal market.
(8) Commission implementing measures	

3. VALUE-ADDED TAX

3.2. Non-deductible expenditure (proposal for a 12th VAT Directive)

(1) Objective

To harmonize Member States' value-added tax systems regarding the treatment of business expenditure.

(2) Proposal

Proposal for a 12th Council Directive on the harmonization of the laws of the Member States relating to turnover taxes — common system of value-added tax: expenditure not eligible for deduction of value-added tax.

(3) Contents

1. Value-added tax on expenditure relating to aircraft and pleasure boats will not be deductible.
2. Value-added tax on expenditure relating to passenger cars and motor cycles will be 50% deductible four years after entry into force of the Directive. Within two years of that date, Member States will have to fix the deductible percentage between 25 and 75%.
3. Full deduction will be permitted where such vehicles and craft are used for carriage for hire or reward, for training or instruction, for hiring out or where they form part of the stock-in-trade for a business.
4. Value-added tax on transport expenses of taxable persons (business travel) and their staff will be subject to the same rules and to the same timetable as specified in point 2 above.
5. Value-added tax on expenditure on accommodation, food and drink will not be deductible, except where the supply of these is the taxable person's business or where they are supplied free of charge to security or caretaking staff on business premises.
6. Value-added tax on expenditure on amusements and luxuries will not be deductible.

(4) Opinion of the European Parliament

Parliament proposed several amendments which were accepted by the Commission.

(5) Current status

The Commission's amended proposal is before the Council for examination.

(6) References

Commission proposal COM(82) 870 final	Official Journal C 37, 10.2.1983
Amended proposal COM(84) 84 final	Official Journal C 56, 29.2.1984
European Parliament opinion	Official Journal C 342, 19.12.1983
Economic and Social Committee opinion	Official Journal C 206, 6.8.1984

3. VALUE-ADDED TAX

3.3. Common value-added tax scheme applicable to small and medium-sized businesses (proposal for a 22nd VAT Directive)

(1) Objective

To simplify the operation of the VAT system for small and medium-sized businesses and to bring individual Member State schemes closer into line with each other.

(2) Proposal

Proposal for a Council Directive amending Directive 77/388/EEC on the harmonization of the laws of the Member States relating to turnover taxes in respect of the common value-added tax scheme applicable to small and medium-sized businesses.

(3) Contents

1. Businesses that have an annual turnover of less than ECU 10 000 are to be VAT exempt. Businesses with an annual turnover of less than ECU 35 000 may be eligible for exemption at the option of the individual Member States.
2. A simplified scheme for charging and collecting VAT is to be introduced for businesses having an annual turnover of less than ECU 200 000.
3. These simplified schemes will work on the basis of annual returns and monthly or quarterly advance payments.
4. The ceilings for exemption and eligibility for the simplified schemes will be revised annually by the Commission to maintain their values in real terms.
5. The equivalents in national currencies of the amounts expressed in ecus will be fixed annually by the Commission.

(4) Opinion of the European Parliament

Parliament approved the proposal subject to some recommendations for amendment. These included: the ceiling for the simplified scheme to be raised to ECU 200 000 (amendment accepted by the Commission); the optional tax exemption to be reviewed within two years; and the Member States to be able to introduce graduated tax relief for businesses with a turnover of up to ECU 35 000.

(5) Current status

The proposal is currently being examined by the Council.

(6) References

Commission proposal	
COM(86) 444 final	Official Journal C 272, 28.10.1986
Amended proposal	
COM(87) 524 final	Official Journal C 310, 20.11.1987
European Parliament opinion	Official Journal C 190, 20.7.1987
Economic and Social Committee opinion	Official Journal C 83, 30.3.1987

3. VALUE-ADDED TAX

3.4. Common value-added tax scheme (proposal for a 19th VAT Directive)

(1) Objective	To bring the Member States' VAT systems closer together by clarifying certain terms and defining certain concepts used in the earlier EEC legislation on the VAT assessment basis.
(2) Proposal	Proposal for a 19th Council Directive on the harmonization of the laws of the Member States relating to turnover taxes, amending Directive 77/388/EEC on the common system of value-added tax.
(3) Contents	1. Clarification of the place of taxation of air and sea transport services. 2. Clarification of the term 'forms of transport'. 3. Definition of the term 'fixed establishment'. 4. Definition of the content of certain VAT exemptions. 5. Use of customs value as the taxable amount for VAT purposes only when VAT is charged on imports from third countries. 6. The supply of sea-going vessels and aircraft intended for breaking-up is added to the list of VAT-exempt products. 7. Rules on refunds to taxable persons and on deductions for purchases by banks.
(4) Opinion of the European Parliament	Parliament approved the proposal subject to a number of suggested amendments. The Commission took up one of these, the effect of which is that supplies of works of art by their creators will remain subject to VAT. However, the temporary derogations for supplies of services by authors and by creative and performing artists is maintained.
(5) Current status	The proposal is currently before the Council for adoption.
(6) References	Commission proposal COM(84) 648 final — Official Journal C 347, 29.12.1984 Amended proposal COM(87) 315 final — Not yet published in the Official Journal European Parliament opinion — Official Journal C 125, 11.5.1987 Economic and Social Committee opinion — Official Journal C 218, 29.8.1985

3. VALUE-ADDED TAX

3.5. Refunds to non-EEC taxable persons (13th VAT Directive)

(1) Objective	To harmonize further Member State legislation concerning VAT refunds to taxable persons outside the EEC.
(2) Community measures	Thirteenth Council Directive 86/560/EEC of 17 November 1986 on the harmonization of the laws of the Member States relating to turnover tax arrangements for the refund of value-added tax to taxable persons not established in Community territory.
(3) Contents	1. A taxable person not established in the territory of the Community is defined as someone who has not had a business address, or a permanent place of residence in a Member State during a period of time to be determined by the Member State, and has not supplied any goods or services in that Member State with the exception of transport services or those on which tax is payable by the customer alone. 2. In general, Member States will refund any VAT paid by a non-EC taxable person on goods or services supplied by a taxable individual in the territory of the Community. Such refunds may be made conditional on third countries agreeing to take comparable measures (reciprocity). 3. Refunds have to be applied for by the non-EC taxable person. Member States will determine the practical arrangements for claiming these refunds, e.g. time-limits or minimum amounts. They may also require the appointment of a tax representative. They will take all necessary steps to prevent fraud. 4. These refunds must not be made on more favourable conditions than those made to taxable persons established in the EEC. 5. Eligibility for refunds will be determined according to the domestic rules of the Member States for VAT deductions, although certain expenditures may be excluded or certain conditions imposed.
(4) Deadline for implementation of the legislation in the Member States	1.1.1988
(5) Date of entry into force (if different from the above)	
(6) References	Official Journal L 326, 21.11.1986
(7) Follow-up work	
(8) Commission implementing measures	

3. VALUE-ADDED TAX

3.6. Temporary importation of goods (17th VAT Directive)

(1) Objective

To widen the scope of the exemption from value-added tax on the temporary importation of goods other than means of transport.

(2) Community measures

Seventeenth Council Directive 85/362/EEC of 16 July 1985 on the harmonization of the laws of the Member States relating to turnover taxes and exemption from value-added tax on the temporary importation of goods other than means of transport.

Commission Directive 90/237/EEC of 4 May 1990 amending the 17th Council Directive 85/362/EEC on the harmonization of the laws of the Member States relating to turnover taxes — Exemption from value-added tax on the temporary importation of goods other than means of transport.

(3) Contents

1. Goods temporarily imported into one Member State from another shall be VAT exempt provided they:
— are intended to be re-exported without alteration;
— are in free circulation;
— have been acquired in the Member State of exportation subject to the rules governing the application of VAT, with VAT not having been refunded on export;
— belong to someone resident outside the Member State into which they have been imported;
— are not consumable goods.
This Directive does not apply to means of transport, containers or pallets.
2. The following are examples of goods which shall be exempt from VAT when they are temporarily imported into the Community from a third country: professional equipment; commercial samples; goods used for display at exhibitions, fairs, etc; teaching aids; scientific equipment; medical, surgical and laboratory equipment; holders for goods; and travellers' personal effects.
3. Goods temporarily imported from one Member State into another which do not fulfil the conditions at point 1 may qualify for one of the exemptions at point 2 provided they are not goods in free circulation which, firstly, were not acquired in accordance with the rules governing the application of VAT in the Member State of exportation or, by virtue of being exported, benefited from exemption from VAT and, secondly, were imported by a non-taxable person not entitled to deduct tax in full.
4. In some cases security may be required for goods that are granted VAT exemption on temporary importation. If it is required it must not be greater than the amount of VAT that would be due if the goods had been declared for home use when they were imported. It may be in the form of cash or a guarantee.
5. Member States will fix a time-limit for the period that goods granted VAT exemption on temporary importation may remain in their territory. The maximum period will normally be 24 months but reasonable extensions may be granted in exceptional circumstances.
6. The benefits of VAT exemption on temporary importation cease when the goods are: re-exported; destroyed as a result of

unforeseeable circumstances; or declared for home use. In the latter case VAT becomes payable. For certain special cases the temporary importation can be terminated and the goods can remain without payment of tax.
7. In some cases, goods imported for possible sale may be granted a temporary importation VAT exemption. These include: second-hand goods imported with a possibility of auction; works of art for exhibitions and possible sale and goods imported under a contract of sale but subject to acceptance tests.
8. Directive 90/237/EEC provides for a purely technical adaptation of Directive 85/362/EEC designed to take into account the fact that the Combined Nomenclature, which replaces the Common Customs Tariff, entered into force on 1 January 1988.

(4) Deadline for implementation of the legislation in the Member States

— Directive 85/362/EEC: 1.1.1986 The Federal Republic of Germany and Greece were allowed to delay implementation of certain provisions until 1 January 1987 and 1 January 1989 respectively
— Directive 90/237/EEC: 1.7.1990

(5) Date of entry into force (if different from the above)

(6) References

Official Journal L 192, 24.7.1985
Official Journal L 133, 24.5.1990

(7) Follow-up work

(8) Commission implementing measures

3. VALUE-ADDED TAX

3.7. Stores of vessels, aircraft and international trains

(1) Objective	Introduction of a specific Community procedure for the application of VAT and excise duties to stores for vessels, aircraft and trains engaged in international traffic.
(2) Proposal	Proposal for a Council Directive on the Community value-added tax and excise duty procedure applicable to the stores of vessels, aircraft and international trains.
(3) Contents	1. Definition of 'stores'. 2. Stores are to be exempt from VAT and excise duties on imports until the final destination is reached. 3. Specific rules for stores of international trains, e.g. no exemption for tobacco and alcoholic beverages other than beer and wine. 4. Exemptions from the rules to the extent necessary to prevent fraud and abuse.
(4) Opinion of the European Parliament	Parliament approved the proposal but requested that the stores of vessels and aircraft of the armed forces and of private vessels and aircraft be excluded from the scope of the Directive.
(5) Current status	The proposal is before the Council for adoption.
(6) References	Commission proposal COM(79) 794 final — Official Journal C 31, 8.2.1980 European Parliament opinion — Official Journal C 147, 16.6.1980 Economic and Social Committee opinion — Official Journal C 205, 11.8.1980

3. VALUE-ADDED TAX

3.8. Special arrangements applicable to second-hand goods, works of art, antiques and collector's items (proposal for a seventh VAT Directive)

(1) Objective

To supplement the common system of VAT with a Community definition of the specific definitive arrangements applicable to the resale of second-hand goods, works of art, antiques and collector's items, as defined for the purposes of the Directive.

(2) Proposal

Proposal for a Council Directive supplementing the common system of value-added tax and amending Articles 28 and 32 of Directive 77/388/EEC (sixth VAT Directive) — special arrangements for second-hand goods, works of art, antiques and collector's items.

(3) Contents

1. Precious metals and stones are not covered by this Directive except where their value represents less than 50% of the selling price of the objects of which they form part. These arrangements are special in that they are substituted for the normal VAT scheme in order to eliminate the double taxation which, in the absence of specific provisions, occurs when such goods, after attracting non-deductible VAT at the final consumption stage, are resold by a dealer who must charge tax again (particularly where goods purchased from private individuals are resold in the course of business). Furthermore, the introduction of harmonized special arrangements in this area should make it possible to close a legal gap which has existed since 1977 and to create conditions conducive to establishment of the internal market.
2. The taxable amount in respect of each transaction is the margin of the dealer wishing to resell, i.e. the value which he adds to the goods in question on reselling them. This margin is defined as the difference between the selling price, exclusive of VAT, charged by the taxable dealer and the purchase price, inclusive of tax, which he paid for the goods. In such a case, the taxable dealer no longer has the right to deduct input tax under the conditions provided for by the normal VAT scheme. Such right will, in fact, be taken into account automatically by taxing the margin alone, instead of the total selling price.
3. Provision is made for the treatment of intra-Community transactions involving goods covered by the Directive to apply both before and after the abolition of tax frontiers: the Member State of departure will tax the margin earned by taxable dealers on consignments to another Member State while the Member State of destination will exempt goods brought into its territory by a taxable dealer from that Member State.
4. Transactions with third countries will continue to qualify for remission of tax on exportation and to be taxed on importation. However, in order to promote the conservation and enrichment of the Community's cultural heritage, works of art, antiques and collector's items will be liable to tax on exportation to third countries, with the margin still serving as the taxable amount.

(4) Opinion of the European Parliament

Parliament approved the proposal in its entirety subject to certain amendments currently before the Commission.

(5) Current status

Since the principle of taxing the margin has been approved by Parliament, the Commission will present an amended proposal only if it considers that certain amendments are likely to be accepted.

(6) References

Commission proposal COM(88) 846 final	Official Journal C 76, 28.3.1989
European Parliament opinion	Official Journal C 323, 27.12.1989
Economic and Social Committee opinion	Official Journal C 201, 7.8.1989

3. VALUE-ADDED TAX

3.9. Transitional taxation arrangements

(1) Objective

To promote the abolition of intra-Community tax frontiers through the introduction of a transitional period of taxation in the Member State of destination of the goods.

(2) Community measures

Council Directive 91/680/EEC of 16 December 1991 supplementing the system of value-added tax and amending Directive 77/388/EEC with a view to abolishing tax frontiers.

Council Directive 92/111/EEC of 14 December 1992 amending Directive 77/388/EEC and introducing simplification measures regarding value added tax.

(3) Contents

Directive 91/680/EEC

The Directive lays down transitional VAT arrangements applicable from 1 January 1993 to intra-Community transactions. Those arrangements apply, in principle, for four years but they will automatically be extended until such time as the definitive arrangements come into force. The Directive comprises the following rules:

1. Distinction between taxation in the country of origin and in the country of destination: taxation in the country of destination, i.e. the Member State of arrival of the goods, will apply to:

— trade between taxable persons and persons ranking as such, provided that the seller is not a small business. More specifically, purchases by exempt taxable persons, flat-rate farmers and non-taxable legal persons will be taxed at the place of destination once they exceed a threshold of ECU 10 000;

— transfers of goods carried out by one firm between two Member States other than transfers for the purpose of contract processing, miscellaneous work, hire or temporary use in the Member State of arrival;

— all transactions involving new motor vehicles, irrespective of the VAT status of the parties concerned;

— mail-order sales (sales on 'arrival' conditions, i.e. those where the goods are transported by, or for the account of, the seller) to final consumers or similar persons provided that the total amount of those sales exceeds a threshold fixed, in principle, at ECU 100 000 per Member State of arrival;

— in any event, products subject to excise duty will automatically be subject to VAT in the Member State of destination, irrespective of the purchaser or of any threshold.

Consequently, the scope of taxation in the country of origin will be quite significant since it will cover:

— all purchases by intra-Community travellers (in practice, that will put an end to intra-Community travellers' allowances);

— all purchases from small businesses, whose intra-Community trade is subject to the same exemptions as their domestic trade;

— all purchases of second-hand motor vehicles (over 3 months, over 3 000 kilometres) from taxable dealers;

— purchases by final consumers and similar persons who are not covered by the arrangements for mail-order selling or by those for trade between persons ranking as taxable persons.

Taxed once and for all in the Member State of departure, all those purchases will help to exercise pressure towards the convergence of rates, the integration of economies and, therefore, the complete abolition of tax frontiers.

It should also be noted that the restrictions on allowances for private citizens (removals, marriages, etc.) will be abolished *ipso facto*.

2. Introduction of new machinery for taxation in the country of destination, accompanied by an easing of the obligation to make a tax return: the concept of importation will disappear completely from intra-Community trade on 1 January 1993. For intra-Community transactions in which the customer is a taxable person or a person ranking as such and intra-Community transactions involving new motor vehicles, VAT in the country of destination, i.e. in the Member State of arrival of the goods sold and transported, will be charged on the basis of a new taxable transaction known as an intra-Community acquisition. The purchaser will thus be liable to pay the tax in the Member State of arrival. If he is not established there, he may be authorized to designate another person as the person liable to pay tax. Operators will use the normal regular returns to pay the VAT for which they are liable in respect of intra-Community trade and, at the same time, to deduct input tax. There will, therefore, no longer be any prefinancing of VAT by firms under the intra-Community scheme. As regards sellers of goods, sales will be exempt in the Member State of departure as long as the goods sold are transported outside the Member State of departure but within the Community and the customer is a taxable person or a person ranking as such, i.e. a person with a VAT registration number in a Member State other than the country of departure of the goods sold.

In the case of intra-Community mail-order sales taxable in the country of destination and, by definition, intended for private individuals or persons ranking as final consumers, taxation at the place of destination will involve shifting the place of supply to the Member State of arrival of the goods sold, where the seller (or his tax representative) will accordingly be liable to pay tax at the rates and on the conditions prevailing there.

3. Abolition of customs procedures and tax controls at internal frontiers: in intra-Community trade, customs documents and, in particular, the Single Administrative Document will disappear. No accompanying intra-Community document will be required. Controls on intra-Community trade will in future be tax controls as under domestic arrangements and will take place *a posteriori* on the basis of the normal commercial and accounting documents. To this end, invoices must explicitly mention the VAT registration numbers of the parties to the transaction to allow the development of administrative cooperation between Member States.

4. Reinforcement of administrative cooperation between Member States: In order to enable such cooperation to work, Member States have stipulated that various data permitting the exchange of information necessary to carry out cross-checks should be collected from sellers in each Member State. In theory, only taxable persons making intra-Community deliveries will have to produce, for each calendar quarter, a limited amount of information in summary form which can easily be extracted from their accounts, that is:

— their own VAT registration number;
— that of each of their customers;
— for each customer, the total value of the goods supplied.

Invoices already contain all this information; it simply needs to be grouped together. It will, therefore, be easy to comply with this obligation. In any event, the burden which it represents is considerably lighter than that of existing customs procedures and documents or that of any accompanying Community document. A specific Regulation establishing this cooperation and defining, in particular, the details of the structured, systematic and computerized exchange of information between national administrations has been adopted by the Council (summary 3.10).

5. Preservation, at all events, of the quality of Community statistical instruments: sellers and buyers will fill in two additional boxes on their regular returns listing and summarizing their intra-Community transactions. Only the largest firms will also be required to furnish a specific monthly statistical return.

6. Transitional VAT arrangements applicable from 1 January 1993 to certain intra-Community services: a distinction between taxation in the country of origin and taxation in the country of destination will also be made in respect of the intra-Community transport of goods and incidental services such as maintenance and unloading, but also with respect to services supplied by intermediaries (acting in the name and on behalf of others) where they intervene in the above transactions. Where the recipient of such services has a tax registration number in a Member State other than:

— the country of departure of the transport operation, or
— the country where the service incidental to the transport operation is physically carried out,

taxation will no longer take place in the country of origin but in the country of destination and, more specifically, in the Member State which has issued the customer with a VAT registration number.

7. Organization of the transition to the definitive arrangements for taxation in the Member State of origin: this constitutes the last stage in the process of abolishing tax frontiers. This transition should in principle be completed by 1 January 1997. An appropriate Council Decision is to be taken by 31 December 1995.

Directive 92/111/EEC

This Directive aims to simplify the taxation procedures for both traders and Member States' administrations, in particular with regard to trade with third countries, goods subject to excise duties, and supplies of goods and services taxable in a Member State on the territory of which the trader is not established.

(4) Deadline for implementation of the legislation in the Member States

1.1.1993, without derogations

(5) Date of entry into force (if different from the above)

(6) References

Official Journal L 376, 31.12.1991
Official Journal L 384, 30.12.1992

(7) Follow-up work

On 21 December 1992 the Council adopted Decisions 92/614/EEC, 92/615/EEC, 92/616/EEC, 92/617/EEC, 92/618/EEC, 92/619/EEC, 92/620/EEC and 92/621/EEC authorizing the United Kingdom, Denmark, Germany, Ireland, Luxembourg, Italy, the Netherlands and Spain to apply one of the particular measures provided for in Article 22(12) of the sixth Council Directive (77/388/EEC) on the harmonization of the laws of the Member States relating to turnover taxes, as amended by Directive 91/680/EEC (Official Journal L 408, 31.12.1992).
The Member States concerned will be authorized to apply a particular measure simplifying the obligation to file a recapitulative statement. As a result, the administrative burden on persons engaging in intra-Community trade will be lightened in those Member States from 1 January 1993 to 31 December 1996.

(8) Commission implementing measures

3. VALUE-ADDED TAX

3.10. Administrative cooperation in the field of indirect taxation

(1) Objective

Establishment of a common system of administrative cooperation and information exchange between the competent authorities of the Member States in the field of indirect taxation.

(2) Community measures

Council Regulation (EEC) No 218/92 of 27 January 1992 on administrative cooperation in the field of indirect taxation.

(3) Contents

1. The Regulation lays down the ways in which the administrative authorities in the Member States responsible for the application of laws on VAT must cooperate with each other and with the Commission to ensure compliance with those laws. It lays down procedures for the exchange by electronic means of VAT information relating to intra-Community transactions and for any subsequent exchange of information in this field.
2. It stipulates that the competent authorities must exchange any information necessary to determine and collect indirect taxes. They must also provide the Commission with any particular or general information of interest to the Community.
3. It also lays down that the competent authority must maintain an electronic database containing VAT information relating to intra-Community transactions. It specifies the particulars that the competent authorities must communicate automatically to the other Member States as well as the particulars to which the other Member States may also have direct access. Where such information is insufficient, the competent authorities may, in specific cases, request further information.
4. Each Member State must maintain an electronic database containing a register of persons to whom VAT identification numbers have been issued. The competent authorities may obtain directly or have communicated to them confirmation of the validity of a VAT identification number of a person established in another Member State.
5. The Regulation lays down the conditions governing the exchange of information, particularly as regards the number and nature of requests for information, the use of usual sources of information, etc. The Commission will present before July 1994 general criteria for defining the scope of these commitments. The Regulation also contains provisions on the confidential nature of information exchanged under the administrative cooperation arrangements.
6. The Regulation provides for consultation and coordination procedures. It sets up a Standing Committee that will examine matters relating to the exchanges of information referred to above and adopt implementing measures. In addition, the Member States and the Commission will examine and evaluate the operation of the administrative cooperation arrangements with a view to improving them, notably in the light of Member States' experience of new means of tax avoidance and evasion. Every two years, the Commission must draw up a report on the conditions of application of the Regulation.
7. Under the Regulation, Member States must inform the Commission of any administrative cooperation agreements in the field of indirect taxation that they have concluded with third countries.

	8. The Regulation entered into force on 4 February 1992. The practical control procedures will be adopted by the end of 1992, while the security afforded by frontier controls still exists.
(4) Deadline for implementation of the legislation in the Member States	Not applicable.
(5) Date of entry into force (if different from the above)	4.2.1992
(6) References	Official Journal L 24, 1.2.1992
(7) Follow-up work	
(8) Commission implementing measures	

3. VALUE-ADDED TAX

3.11. Approximation of rates

(1) Objective	To introduce a uniform system of VAT throughout the Community by limiting the number of tax rates and by setting a band for each rate.
(2) Community measures	Council Directive 92/77/EEC of 19 October 1992 completing the common system of value-added tax and amending Directive 77/388/EEC — approximation of VAT rates.
(3) Contents	1. Each Member State may apply only one standard rate and one or two reduced rates. 2. The standard rate may not be less than 15%. It will apply from 1 January 1993 to 31 December 1996. On the basis of a report and proposals from the Commission, the Council will decide unanimously before 31 December 1996 on the level of the minimum rate to be applied after 31 December 1996. 3. The reduced rates may not be less than 5%. The list of products and services to which they apply is annexed to the Directive. 4. Starting in 1994, the Council will review the scope of the reduced rates every two years and may decide unanimously to amend it. 5. The rates to be applied to works of art, antiques and collector's items (summary 3.8) and the rates to be applied to gold will be determined in specific Directives before 31 December 1992. 6. The rules concerning the taxation of certain agricultural products will be adopted unanimously by the Council before 31 December 1994. Until then, those Member States currently applying a reduced rate may continue to do so; those currently applying a standard rate may not apply a reduced rate. 7. During the transitional period, certain reduced rates and certain exemptions with refund of the tax paid at the preceding stage which were in force on 1 January 1991 and which are in accordance with Community law may be maintained.
(4) Deadline for implementation of the legislation in the Member States	31.12.1992
(5) Date of entry into force (if different from the above)	
(6) References	Official Journal L 316, 31.10.1992
(7) Follow-up work	
(8) Commission implementing measures	

3. VALUE-ADDED TAX

3.12. Special scheme for gold

(1) Objective

To supplement the uniform basis of assessment for VAT in the Community by introducing a special scheme for gold.

(2) Proposal

Proposal for a Council Directive supplementing the common system of value-added tax and amending Directive 77/388/EEC — special scheme for gold.

(3) Contents

1. The Directive makes a distinction between two types of gold:
— investment gold is gold, including pieces quoted on one of the markets in the Community, which is sold without giving rise to the physical delivery of the metal and provided that the sale is carried out by licensed professionals;
— gold other than investment gold is, by contrast, gold which does not meet one or other of the above conditions.
2. Whether investment gold or not, the Directive applies to gold of a purity equal to or greater than 900 thousandths.
3. Scheme for investment gold
The Directive provides for the introduction of a zero rate of VAT for investment gold so as not to impede the flow of purely financial transactions. This exemption also avoids the risk of gold escaping to third countries and makes it easier to monitor commercial flows and to keep gold in the legal circuit.
4. By contrast, gold other than investment gold (e.g. gold which is physically delivered either to private investment firms or for purposes of industrial or commercial use) is subject to the normal VAT scheme. However, with a view to avoiding risks of fraud, the proposal allows Member States, where sales between taxable persons are concerned, to levy VAT on the purchaser, and not on the seller (reverse-charge mechanism). Member States will be able to apply this mechanism throughout the transitional period, i.e. until 1 January 1997.
5. Where gold is sold by a private individual to a taxable person who then resells it, the proposal provides for the tax to be refunded to the private individual.

(4) Opinion of the European Parliament

Not yet delivered

(5) Current status

The proposal has been sent to the European Parliament and the Economic and Social Committee for their opinions.

(6) References

Commission proposal
COM(92) 441 final — Official Journal C 302, 19.11.1992

3. VALUE-ADDED TAX

3.13. Special arrangements applicable to passenger transport

(1) Objective

Removal of frontier controls caused by the payment of VAT on passenger transport services.

(2) Proposal

Proposal for a Council Directive amending Directive 77/388/EEC regarding the value-added tax arrangements applicable to passenger transport.

(3) Contents

1. This proposal relates solely to passenger transport by road and by inland waterway.
2. It provides for taxation in the country of departure, in anticipation of the definitive VAT arrangements. VAT is charged where the ticket is paid for. But, if the ticket is sold in a country (Member State or third country) other than the country of departure, it is the latter which has the right to charge tax. For example, where a journey involves several successive transport services, an all-in price is generally paid for the whole journey.
3. The taxable amount is determined applying the general rules. There are cases where it is not possible to ascertain the precise amount of the consideration. This provision enables the Member States to apply flexible and pragmatic criteria to determine the taxable amount, since it is not uncommon for a carrier to provide a service to a passenger in one Member State followed by another service in another Member State for an all-in price which has to be broken down between the two Member States. Traffic to a third country is exempt, with input tax being deductible. With regard to traffic from a third country, in accordance with the new territoriality rule, these journeys are not situated in a Member State and therefore the problem of taxation cannot arise.
4. The Commission undertakes to present by the end of 1994 a report that will examine the tax arrangements for all forms of passenger transport, paying attention to the risks of distortion of competition and to the situation of high-speed rail transport.

(4) Opinion of the European Parliament

Not yet delivered.

(5) Current status

The proposal has been sent to the European Parliament and the Economic and Social Committee for their opinions.

(6) References

Commission proposal
COM(92) 416 final — Official Journal C 307, 25.11.1992

4. EXCISE DUTIES

1992 target: current position and outlook

The Commission's approach is based on the approximation of excise duties in order to permit the achievement of a genuine common market and to avoid distortions of trade. The products selected by the Commission for the application of a harmonized excise duty were tobacco, alcoholic beverages and mineral oils; these are the most important products in intra-Community trade which are subject to national excise duties.

The harmonization of excise duties has been the subject of two series of proposals — one on structures (summaries 4.1 - 4.5) and the other on rates (summaries 4.6 - 4.10).

An important step was taken with the Council's adoption of the Directive on the general arrangements for products subject to excise duty and on the holding, movement and monitoring of such products. The scheme provided for is a definitive one with no transitional period, unlike VAT, and is applicable from 1 January 1993. It regulates the movement of goods between authorized warehousekeepers under duty-suspension arrangements and the levying of excise duties after the abolition of frontier controls (summary 4.1). Under this system, goods can move without payment of excise duties and without stopping at frontiers. Excise duties, chargeable at the rate in force in the Member State of consumption, will be paid when the goods are released for consumption.

1. Harmonization of excise-duty structures

Four Directives provide for the harmonization of the structures of excise duty on alcoholic beverages, manufactured tobacco and mineral oils. They are aimed at clarifying the definition of taxed products in order to ensure a uniform basis of assessment for taxation and to define the exemptions applicable (summaries 4.2 - 4.4).

2. Approximation of excise-duty rates

In its original proposals, the Commission had proposed single rates for each product throughout the Community. This approach proved to be too rigid, however, in view of the very wide differences in rates between Member States.

This is why, in its communication to the Council and the European Parliament of 14 June 1989 (COM(89) 260), the Commission indicated that it was going to be somewhat more flexible in its efforts to bring excise duties closer together. This new flexibility, which is consistent with the requirements of the Single European Act, does not undermine the basic principle of the abolition of customs and tax frontiers by 1 January 1993. It is reflected in the introduction of minimum rates for all products covered by the harmonization Directives.

On 19 October 1992 the Council adopted the Directives laying down those rates. Provision has been made for the Council to review the minimum rates every two years, starting on 31 December 1994, taking into account the smooth functioning of the internal market and the real value of those rates.

The package of measures relating to excise duties has been supplemented by the adoption of four Directives on the approximation of excise-duty rates on alcohol and alcoholic beverages, cigarettes, tobacco and mineral oils (summaries 4.6 - 4.8).

In accordance with the approach adopted by the Community for unleaded petrol (summaries 4.8 and 4.9), the Commission presented on 5 March 1992 a proposal to reduce the excise-duty rates applied to motor fuels from agricultural sources or 'biofuels' (summary 4.10). The proposed measure is in keeping with the Community measures on excise duties and meets various objectives in the fields of energy, agricultural policy and the environment.

4. EXCISE DUTIES

4.1. Harmonization of duty structures: general arrangements, holding and movement of excise duty products

(1) Objective

To define the arrangements for the holding and movement of products subject to excise duty in order to create the conditions required for abolishing tax frontiers with a view to establishing the internal market.

(2) Community measures

Council Directive 92/12/EEC of 25 February 1992 on the general arrangements for products subject to excise duty and on the holding and movement of such products.

Council Directive 92/108/EEC of 14 December 1992 amending Directive 92/12/EEC on the general arrangements for products subject to excise duty and on the holding and movement of such products and Directive 92/81/EEC.

(3) Contents

Directive 92/12/EEC

1. The Directive lays down a geographical framework in order to ensure uniform application of its provisions and of the provisions of the Directives on excise duty rates and structures.
2. 'Products subject to excise duty' means mineral oils, alcoholic beverages and manufactured tobacco.
3. Member States will retain the right to introduce or maintain taxes levied on other specific products provided that they do not hinder the free movement of goods or result in the maintenance of tax frontiers.
4. The Directive defines the Community concept of 'chargeable event'. The chargeable event is production on the territory of the Community or importation on to that territory from third countries. Excise duty will become chargeable when any taxable product is released for consumption.
5. The Directive lays down that, whenever products subject to excise duty are supplied or acquired for the purposes of a business, a body governed by public law or activities in the public interest or are sold by mail order, the excise duty will be payable in the country in which the products are consumed.
6. Individuals will pay the excise duty in the country of purchase, without any limit being imposed, in cases where products are intended for their personal consumption.
7. Each Member State will define its own rules on the production and holding of products subject to excise duty. Where the duty has not been paid, the production and holding of products will be subject to controls carried out under the tax-warehousing system.
8. Warehousekeepers approved by the competent authorities of a Member State will be deemed to be authorized to carry out both national and intra-Community operations.
9. Authorized warehousekeepers are obliged:
— to furnish a guarantee;
— to comply with the requirements laid down in respect of warehouses;
— to consent to any supervision or controls;
— to keep stock records.
10. Any product subject to excise duty under the duty-suspension arrangements between the territories of different Member States will

be accompanied by either an administrative or a commercial document. This document will be drawn up by the warehousekeeper and transferred between warehousekeepers.
11. Member States may require that products released for consumption or sold on their territory carry national or tax identification marks.
12. The Directive provides for reimbursement procedures in order to avoid double taxation resulting from products being released for consumption twice in two different Member States.
13. Member States will lay down the conditions for reimbursing excise duty. However, the period involved must be the same in all cases in order to avoid any discrimination.
14. The Directive provides for exemptions deriving from international agreements concluded by Member States.
15. It also provides for the setting-up of a Committee on Excise Duties.

Directive 92/108/EEC
The Directive is designed to clarify the scope and provisions of Directive 92/12/EEC. It specifies in particular that the intra-Community movement of products subject to zero-rate excise duty should take place between tax warehouses and establishes a legal framework for purely technical draft simplification measures. It also aims at simplifying administrative and documentary procedures, and provides that duty should, in the case of products subject to zero-rate excise duty, be collected by the Member State of destination.

(4) Deadline for implementation of the legislation in the Member States

1.1.1993

(5) Date of entry into force (if different from the above)

(6) References

Official Journal L 76, 23.3.1992
Official Journal L 390, 31.12.1992

(7) Follow-up work

(8) Commission implementing measures

Regulation (EEC) No 2719/92 — Official Journal L 276, 19.9.1992
Commission Regulation of 11 September 1992 on the accompanying administrative document for the movement under duty-suspension arrangements of products subject to excise duty.
The Regulation stipulates that the accompanying administrative document for the movement, under duty-suspension arrangements, of products subject to excise duty should conform to the model shown in Annex I.

Regulation (EEC) No 3649/92 — Official Journal L 369, 18.12.1992
Commission Regulation of 17 December 1992 on the simplified accompanying document for intra-Community movements of products which are subject to excise duty and which have already been released for consumption in the Member State of departure.
This Regulation lays down the form and content of the accompanying document in order to ensure that the system for the movement of goods within the single market functions smoothly.

4. EXCISE DUTIES

4.2. Harmonization of duty structures: alcoholic beverages and alcohol contained in other products

(1) Objective

To introduce harmonized structures for excise duties on alcoholic beverages and alcohol contained in other products in order to ensure the establishment of the internal market.

(2) Community measures

Council Directive 92/83/EEC of 19 October 1992 on the harmonization of the structures of excise duties on alcoholic beverages.

(3) Contents

1. Definitions of the terms 'beer', 'still wine', 'sparkling wine', 'intermediate products' and 'alcohol and alcoholic beverages'.
2. The excise duty levied on beer will be fixed by reference to the number of hectolitre/degrees of finished product.
3. Member States may divide beers into categories consisting of no more than 4 degrees Plato and may charge the same rate of duty per hectolitre on all beers falling within each category.
4. Member States may apply reduced rates of excise duty to beer brewed by independent small undertakings provided that those rates:
— are not applied to undertakings producing more than 200 000 hl of beer per year;
— are not more than 50% below the standard national rate of excise duty.
5. Definition of the term 'independent small brewery'.
6. Reduced rates introduced by Member States must apply equally to beer delivered into their territory from small breweries situated in other Member States.
7. Member States may apply reduced rates, which may fall below the minimum rate, for beer with an actual alcoholic strength by volume not exceeding 2.8% vol.
8. The excise duty levied on still wine and sparkling wine and on other fermented beverages and intermediate products will be fixed by reference to the number of hectolitres of finished product.
9. Member States will be required to levy the same rate of excise duty within each category of alcoholic beverages.
10. Member States may apply reduced rates of excise duty to any type of wine and other fermented beverages, except for beer, with an actual alcoholic strength by volume not exceeding 8.5% vol.
11. Member States may apply a single reduced rate of duty to intermediate products with an actual alcoholic strength by volume not exceeding 15% vol. provided that:
— the reduced rate is not more than 40% below the standard national rate;
— the reduced rate is not less than the standard rate applied to still wine and to other still fermented beverages.
12. The excise duty levied on alcohol and alcoholic beverages will be fixed per hectolitre of pure alcohol at 20°C. This will be calculated by reference to the number of hectolitres of pure alcohol.
13. Reduced rates may be applied to ethyl alcohol produced by small distilleries. However, those rates may not be more than 50% below the standard national rate of excise duty.
14. Definition of the term 'small distillery'.

15. Member States must apply any such reduced rates equally to ethyl alcohol originating from small distilleries in other Member States.
16. Subject to certain limits, reduced excise duty rates may also be applied to spirits with an actual alcoholic strength by volume not exceeding 10% vol. and to French rum and Greek ouzo.
17. Where an alcoholic beverage is withdrawn from the market because its condition renders it unfit for human consumption, Member States may refund the excise duty paid.
18. The products covered by this Directive will be exempt from excise duty where they:
— are denatured in accordance with the requirements of any Member State;
— are denatured and used for the manufacture of products not intended for human consumption;
— are used for the production of vinegar, medicines or flavours for the preparation of foodstuffs.
19. The Directive provides for the mutual recognition of denaturing formulae and sets up a system for exchanging the requisite information and for combating any abuse of the exemption arrangements.

(4) Deadline for implementation of the legislation in the Member States

31.12.1992

(5) Date of entry into force (if different from the above)

(6) References

Official Journal L 316, 31.10.1992

(7) Follow-up work

(8) Commission implementing measures

4. EXCISE DUTIES

4.3. Harmonization of duty structures: manufactured tobacco

(1) Objective	To introduce a harmonized structure for excise duties on manufactured tobacco in order to ensure the establishment of the internal market.
(2) Community measures	Council Directive 92/78/EEC of 19 October 1992 amending Council Directives 72/464/EEC and 79/32/EEC on taxes other than turnover taxes which are levied on the consumption of manufactured tobacco.
(3) Contents	1. The following are considered as manufactured tobacco: cigarettes, cigars and cigarillos, smoking tobacco. 2. Cigarettes manufactured within the Community and those imported from third countries will be subject to a proportional excise duty based on the maximum retail selling price and to a specific excise duty calculated per unit of the product. 3. Manufacturers and importers within the Community will lay down the maximum retail selling price for each of their products for each Member State in which they are to be released for consumption. 4. Member States may fix a scale of retail selling prices for each category of manufactured tobacco. Each scale will be valid for all products in the relevant category and must be sufficiently varied to correspond to the actual variety of Community products. 5. The following will be exempt from excise duty: — denature tobacco which is used for industrial or horticultural purposes or is destroyed under administrative supervision; — manufactured tobacco which is intended solely for scientific tests connected with the determination of tar and/or nicotine levels. 6. Definitions of manufactured tobacco are already given in Council Directive 79/32/EEC (Official Journal L 10, 16.1.1979).
(4) Deadline for implementation of the legislation in the Member States	31.12.1992
(5) Date of entry into force (if different from the above)	
(6) References	Official Journal L 316, 31.10.1992
(7) Follow-up work	
(8) Commission implementing measures	

4. EXCISE DUTIES

4.4. Harmonization of duty structures: mineral oils

(1) Objective

To introduce a harmonized structure on mineral oils in order to ensure the establishment of the internal market.

(2) Community measures

Council Directive 92/81/EEC of 19 October 1992 on the harmonization of the structures of excise duties on mineral oils.

(3) Contents

1. Definition of the term 'mineral oil'.
2. Mineral oils will be subject to excise duty if used or intended for use as fuel or road fuel.
3. Any product similar in nature to mineral oils and intended for use as motor fuel or as an additive or extender in motor fuels will also be taxed as motor fuel. Hydrocarbons used for heating purposes, except for solid hydrocarbons and natural gas, are to be taxed at the rates applicable to the equivalent mineral oil.
4. Excise duty is calculated per:
— 1 000 litres of product at a temperature of 15°C in the case of mineral oils;
— 1 000 kg of product, or in proportion to the quantities, where the products covered are to be used as heavy fuel oils, and in the case of LPG and methane.
5. The Directive lays down that the consumption of mineral oils in an establishment producing mineral oils will not give rise to excise duty except when such consumption is for the propulsion of motor vehicles or for purposes not related to the production of mineral oils.
6. Definition of the term 'establishment producing mineral oils'.
7. Member States will not be obliged to treat as 'production of mineral oils' operations:
— during which small quantities of mineral oils are obtained;
— carried out for the purpose of enabling a mineral oil to be re-used in the same establishment;
— consisting of mixing mineral oils with other mineral oils or materials.
8. The following will be exempt from excise duty:
— oils used for purposes other than as fuels;
— oils used as fuels for the purpose of:
  • air navigation other than private pleasure flights;
  • navigation in Community waters (including fishing) other than for use in private pleasure craft.
9. In some cases, such as in generating electricity, for navigation on inland waterways or for rail transport, Member States may apply exemptions or reductions in the rates of duty.
10. A reduced tax of rate may also be applied in the case of gas oil, LPG, methane and kerosene used for industrial or commercial purposes.
11. Subject to the Council's agreement, Member States may introduce other exemptions or reductions.
12. Provision is made for establishing, by 31 December 1992 at the latest, a coordinated system to facilitate the movement and control of coloured and marked hydrocarbons.

(4) Deadline for implementation of the legislation in the Member States	31.12.1992
(5) Date of entry into force (if different from the above)	
(6) References	Official Journal L 316, 31.10.1992
(7) Follow-up work	
(8) Commission implementing measures	

4. EXCISE DUTIES

4.5. Harmonization of duty structures: rum from French overseas departments

(1) Objective	To authorize the French Republic to apply for a limited period of time a reduced rate of duty to traditional rum from the French overseas departments because of their economic and social situation.
(2) Community measures	Council Decision 88/245/EEC of 19 April 1988 authorizing the French Republic to apply in its overseas departments and in metropolitan France, by way of derogation from Article 95 of the Treaty, a reduced rate of the revenue duty imposed on the consumption of traditional rum produced in those departments.
(3) Contents	1. Authorization for the French Republic to apply a reduced rate of duty to traditional rum from its overseas departments until 31 December 1992. 2. Definition of 'traditional rum' eligible for the reduction. This is the product obtained exclusively by distillation, after fermentation, of sugar-cane juice, sugar-cane syrup or sugar-cane molasses in the sugar-cane-producing areas of the French overseas departments, obtained from local raw materials. 3. Reduction in the annual quotas (1988-92) for the rum qualifying for the reduced rate in metropolitan France.
(4) Deadline for implementation of the legislation in the Member States	
(5) Date of entry into force (if different from the above)	
(6) References	Official Journal L 106, 27.4.1988
(7) Follow-up work	
(8) Commission implementing measures	

4. EXCISE DUTIES

4.6. Harmonization of excise duty rates: alcohol and alcoholic beverages

(1) Objective	To set minimum rates to be applied no later than 1 January 1993.
(2) Community measures	Council Directive 92/84/EEC of 19 October 1992 on approximation of the rates of excise duty on alcohol and alcoholic beverages.
(3) Contents	1. The shift to flexibility in the excise duty rates levied on alcohol and alcoholic beverages, intermediate products, wine and beer involves setting the following minimum rates: — ECU 0.748 per hectolitre/degree Plato or ECU 1.87 per hectolitre/degree of alcohol for beer; — ECU 0 per hectolitre for wine; — ECU 45 per hectolitre for intermediate products; — ECU 550 per hectolitre of pure alcohol for alcohol and alcohol contained in other beverages. 2. For the last-mentioned category above, Member States which apply a rate of duty exceeding ECU 1 000 per hectolitre of pure alcohol may reduce it but not below ECU 1 000. For the same category, Denmark and Italy may maintain their existing tax arrangements until 30 June 1996 provided that their rates do not fall below the minimum rate laid down. 3. Reduced rates may be applied in certain regions of Greece, Italy and Portugal. 4. Every two years, and for the first time not later than 31 December 1994, the rates of duty are to be reviewed and any necessary adjustments made.
(4) Deadline for implementation of the legislation in the Member States	31.12.1992
(5) Date of entry into force (if different from the above)	1.1.1993
(6) References	Official Journal L 316, 31.10.1992
(7) Follow-up work	
(8) Commission implementing measures	

4. EXCISE DUTIES

4.7. Harmonization of excise duty rates: cigarettes and manufactured tobacco

(1) Objective

To lay down a common structure and the rates to be applied not later than 31 December 1992.

(2) Community measures

Council Directives 92/79/EEC and 92/80/EEC of 19 October 1992 on the approximation of the taxes on cigarettes and on the approximation of the taxes on manufactured tobacco other than cigarettes.

(3) Contents

1. The Directives apply to cigarettes, cigars and cigarillos and smoking tobacco.
2. For cigarettes the incidence of the overall minimum excise duty is to be set at 57% of the retail selling price (inclusive of all taxes), it being understood that the specific excise duty must be between 5% and 55% of the total tax on cigarettes of the price category most in demand (*ad valorem* duty + specific duty + VAT).
3. The structure of the rates set for cigars and cigarillos and for smoking tobacco may be *ad valorem* or specific or a mixture of the two. The overall excise duty, expressed as a percentage of the retail selling price, inclusive of all taxes, or in amounts per given quantity, may not be less than:
— 5% of the retail selling price or ECU 7 per 1 000 items or per kilogram in the case of cigars and cigarillos;
— 30% of the retail selling price or ECU 20 per kilogram in the case of fine-cut smoking tobacco;
— 20% of the retail selling price or ECU 15 per kilogram in the case of other smoking tobaccos.
4. Spain has a transitional period of two years in which to reach the overall minimum excise duty applied to cigarettes; Portugal may apply a reduced rate in certain cases.
5. Italy and Spain are to benefit from a transitional period lasting until 31 December 1998 in respect of the rates applied to cigars and cigarillos and to smoking tobacco.
6. Every two years, and for the first time not later than 31 December 1994, the Council is to examine the excise duties with a view to making any necessary amendments to the Directives.

(4) Deadline for implementation of the legislation in the Member States

31.12.1992

(5) Date of entry into force (if different from the above)

(6) References

(7) Follow-up work

(8) Commission implementing measures

4. EXCISE DUTIES

4.8. Harmonization of excise duty rates: mineral oils

(1) Objective

To lay down minimum rates or rate bands for each product category, which Member States will have to apply by 31 December 1992 at the latest.

(2) Community measures

Council Directive 92/82/EEC of 19 October 1992 on the approximation of the rates of excise duty on mineral oils.

(3) Contents

1. The Directive covers the excise duty rates for petrol (leaded or unleaded), diesel, heavy fuel oil, liquid petroleum gas, methane and kerosene.
2. The target rates are not laid down in the current Directive but in a proposal which the Commission presented on 13 February 1991 (summary 4.9).
3. The minimum rates to be applied on 1 January 1993 are as follows (ECU/1 000 litres):
— leaded petrol: ECU 337 (for Luxembourg: ECU 292 for a transitional period from 1 January 1993 to 31 December 1994);
— unleaded petrol: ECU 287 (for Luxembourg: ECU 242 during the transitional period);
— diesel: used as a propellant: ECU 245 (for Luxembourg and Greece: ECU 195 during the transitional period);
— diesel used for certain industrial purposes: ECU 18;
— heating gas oil: ECU 18 (Member States not applying excise duty may continue to apply a zero rate from 1 January 1991);
— heavy fuel oil: ECU 13;
— liquid petroleum gas and methane used as fuel: ECU 100;
— liquid petroleum gas and methane used for certain industrial purposes: ECU 36;
— liquid petroleum gas and methane used for heating purposes: zero rate;
— kerosene: ECU 245, unless used for certain industrial purposes or for heating;
4. Arrangements are to be made for Portugal (the Azores) and for certain Greek islands.
5. Every two years, and for the first time not later than 31 December 1994, the Council is to review the Directive.

(4) Deadline for implementation of the legislation in the Member States

31.12.1992

(5) Date of entry into force (if different from the above)

(6) References

(7) Follow-up work

(8) Commission implementing measures

4. EXCISE DUTIES

4.9. Harmonization of excise duty rates: petrol and diesel

(1) Objective	To set target rates of excise duties for petrol and raising the excise rate band on diesel which was proposed in 1989.
(2) Proposal	Proposal for a Council Directive fixing certain rates and target rates of excise duty on mineral oils.
(3) Contents	1. The setting of minimum rates and rate bands is covered not by this Directive but by the proposal on the approximation of the rates of excise duty on mineral oils (summary 4.8), which specifically deals with target rates. These are not compulsory common rates but the common levels towards which Member States must progressively converge. A rate band has been set for diesel, however, because of the nature of that product. 2. The target rates applicable from 1 January 1993 are as follows: (ECU/1 000 litres) — leaded petrol: ECU 495; — unleaded petrol: ECU 50 below the target rate for leaded petrol; — kerosene used as a propellant: ECU 495. 3. The rate band applicable to diesel from 1 January 1993 is ECU 245 to ECU 270 per 1 000 litres.
(4) Opinion of the European Parliament	Not yet delivered.
(5) Current status	The proposal is currently before the European Parliament for its opinion.
(6) References	Commission proposal COM(91) 43 final — Official Journal C 66, 14.3.1991 Economic and Social Committee opinion — Official Journal C 159, 17.6.1991

4. EXCISE DUTIES

4.10. Harmonization of excise duty rates: motor fuels from agricultural sources

(1) Objective	To reduce the rate of excise duty applicable to fuels produced from agricultural sources in order to further the Community's agricultural, energy and environmental policies.
(2) Proposal	Proposal for a Council Directive on excise duties on motor fuels from agricultural sources.
(3) Contents	1. The fuels produced from agricultural products or products of vegetable origin qualifying for the reduced rate are: ethyl alcohol (bioethanol), methyl alcohol (methanol) and vegetable oil, whether chemically modified or not as defined by the Directive. 2. The rates of excise duty applicable are: — for bioethanol and methanol: not more than 10% of that charged on unleaded petrol within the Member State in question; — for vegetable oil: not more than 10% of that charged on diesel within the Member State in question. 3. The Member States are required to monitor the manufacture, storage, mixing and distribution of these products. 4. Every two years, the Commission will present a report to the Council enabling it to assess, *inter alia,* the fiscal, economic, agricultural, energy, industrial and environmental aspects of the Directive. The first of these reports must be sent to the Council not later than 31 December 1997.
(4) Opinion of the European Parliament	Not yet delivered.
(5) Current status	The proposal has been sent to Parliament for their opinion.
(6) References	Commission proposal COM(92) 36 final — Official Journal C 73, 24.3.1992 Economic and Social Committee opinion — Official Journal C 223, 31.8.1992

Eastern Europe and the USSR

THE CHALLENGE OF FREEDOM

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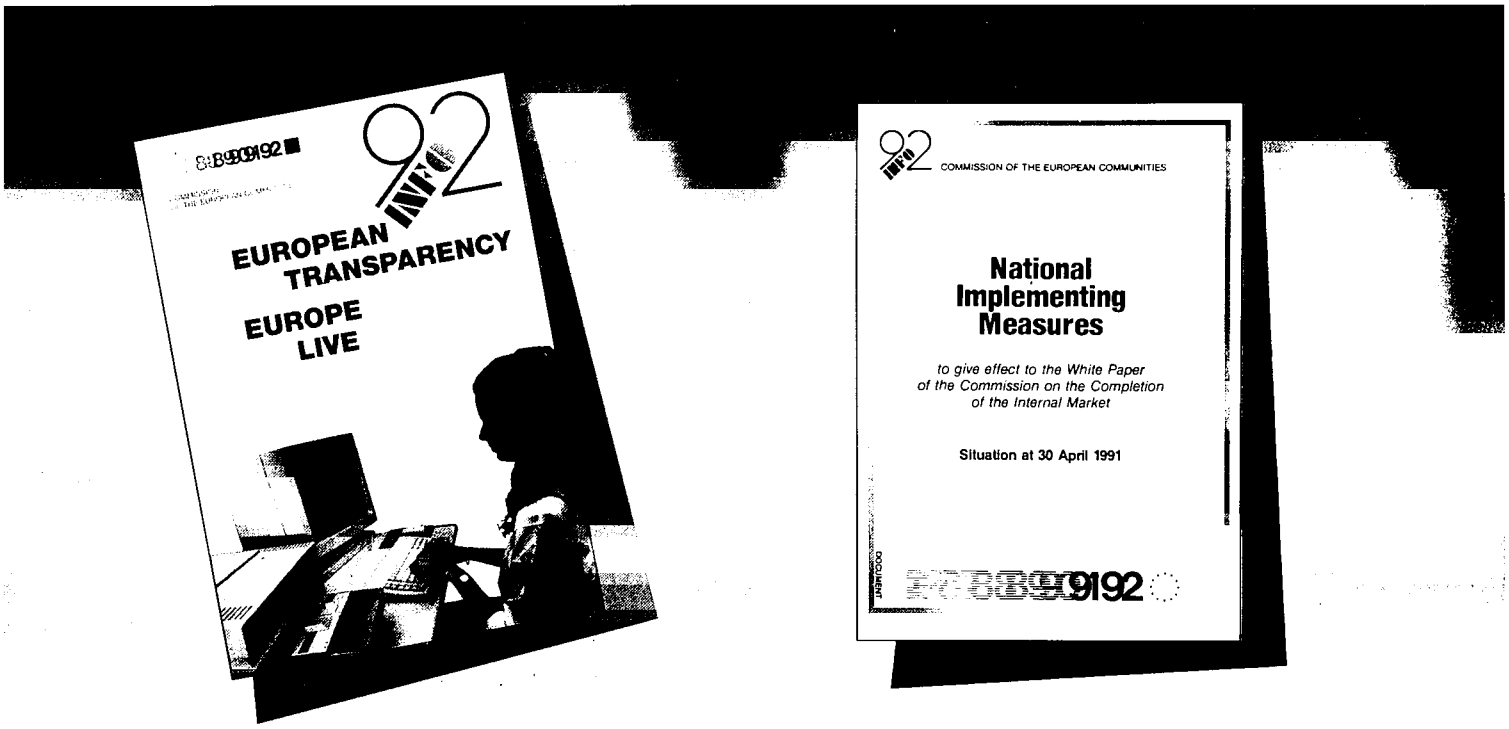

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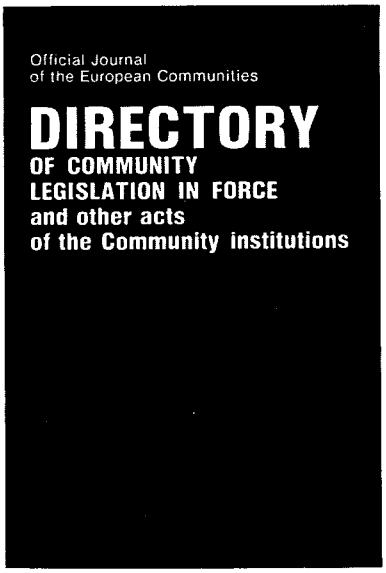

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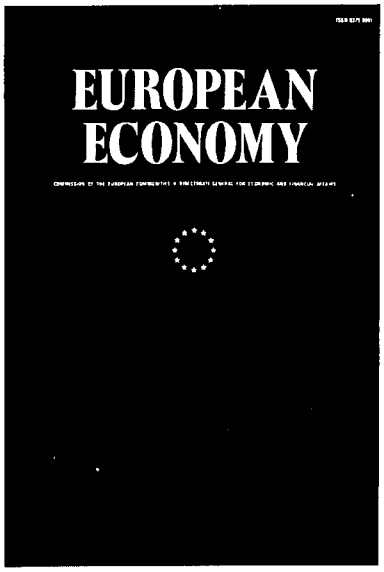

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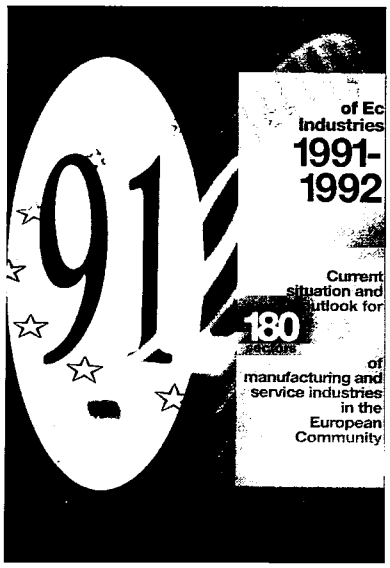

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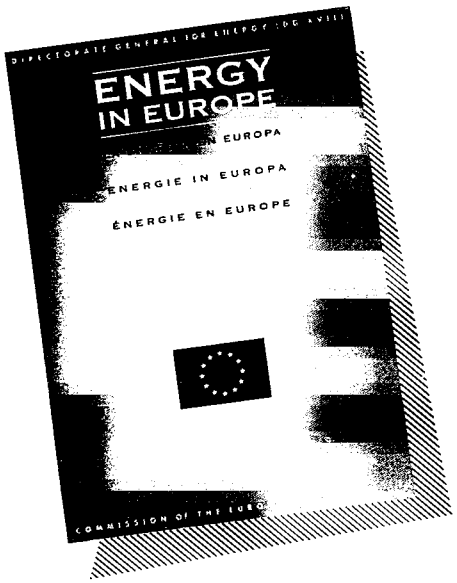

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