

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(74) 1302 final

Brussels, 10 September 1974

DRAFT OF

DECISION OF THE JOINT COMMITTEE

modifying Protocol No 3 concerning the definition  
of the concept of "originating products" and  
methods of administrative cooperation and  
Decision No 3/73 of the Joint Committee fixing  
the methods of administrative cooperation in  
the customs field

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DRAFT OF

DECISION OF THE JOINT COMMITTEE

concerning Protocol No 3 concerning the definition  
of the concept of "originating products" and methods  
of administrative cooperation

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(submitted to the Council by the Commission)

COM(74) 1302 final



COMMUNICATION FROM THE COMMISSION TO THE COUNCIL

When at the end of 1973, the first set of simplification measures to the Customs procedures laid down in the third Protocols annexed to the Agreements between the EEC and the EFTA countries were prepared, a certain number of problems were left in suspense because there was no unanimous agreement and were thus not included in the supplementary provisions contained in Decision No 10/73 of the Joint Committee introducing the first measures of simplification.

The object of the two draft decisions of the Joint Committee EEC-Austria which are annexed is to remedy this situation in introducing the solution to the problems left in suspense.

The first draft decision envisages three simplifications. The first consists of deleting the present requirement of mentioning on the EUR.1 movement certificate the country of origin of the goods in applying Articles 2 and 3 of Protocol No 3, when the country is the same one that has issued the certificate. The second is intended to raise the value limits under which a small consignment addressed to a private individual and personal luggage of travellers do not have to be covered by a EUR.1 movement certificate or a form EUR.2 in order to obtain preferential treatment. Lastly the third consists of doing away with the obligation to indicate on a certificate covering goods re-exported in the same state, the country where the original certificate was issued.

The other draft decision, which replaces the present Decision No 4/73 introduces three essential modifications to the possibilities of employing a form EUR.2. In effect, it is intended on the one hand

to raise the value limit under which the form EUR.2 can be used from 1000 UC to 1500 UC per consignment, and on the other hand to extend the use of the form EUR.2 to all types of transport and no longer to restrict it to postal traffic. The third modification envisages the possibility of consignments containing a mixture of originating and non originating products.

All these modifications have already been widely and lengthily discussed, both with the Customs experts in the Community and with those of the EFTA countries in the Customs Committees. Faced with the impossibility of obtaining an unanimous agreement, and taking account of that, notwithstanding this lack of unanimity, the majority of countries concerned, both in EFTA and the Community, have pronounced themselves in favour of a simplification of this kind, the Commission feels that it does not make sense to delay the presentation of these propositions to the Council.

The positions of the Customs experts of the Member States (at their level) at the time of the last technical examination of these two draft decisions as well as those of the Commission are as follows :

#### I. First Draft Decision

##### A. Problem of the deletion of the need to indicate the country of origin in certain cases (Article 1 of the draft)

The German delegation has reserved its position on the proposed new paragraph 2 of Article 8 of Decision No 3/73 of the Joint Committee, as set out in the first Article of the draft, feeling that the cases envisaged in that paragraph are in fact marginal ones.

The Belgian and Italian delegations have expressed their view that this new provision would render impossible any distinction at

importation between products originating on the basis of Article 1 of Protocol No 3 and the products originating on the basis of Article 3 of Protocol No 3.

The Commission feels that this is an important simplification to which the EFTA countries assign considerable value. As far as the Belgian and Italian observations are concerned the Commission is not convinced of the practical value of being able to distinguish between the two kinds of originating products, as in all cases they are subject to the same regime.

The French delegation has suggested moreover, when the new paragraph 2 of Article 8 of Decision No 3/73 is applied the placing of a crossing out in box No 7 of the certificate when it will not be used. This concerns a provision which has already been introduced in a general fashion in the notes on the back of the EUR. movement certificate and the Commission feels that it could be enough, to cater for this difficulty, to provide for a declaration in the records of the meeting of the Joint Committee when this decision is adopted, stating that

"In each case where one or more boxes of the EUR.1 movement certificate or form EUR.2 are not used, this box or these boxes must be crossed out in such a manner to make it impossible to add anything at a later stage."

B. Problem of raising the value limits applicable to small consignments and personal luggage (Article 2 of the draft)

Only the Belgian delegation is opposed to the raising of the limit, feeling that it is more than a normal adjustment. The Commission feels the rise envisaged is justified, bearing in mind the changes in economic and monetary conditions since the institution of this limit.

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C. Problem of the deletion of the obligation to indicate the country who issued the original certificate in the case of re-export in same state

Some delegations felt that this was a useful indication. The Commission feels that this indication which is of little practical use can be easily dispensed with.

II. Second Draft Decision : Draft concerning the EUR.2 forms

The French and Belgian delegations are opposed, on a technical level, to the Commission draft, feeling that, on the one hand, the rise in the value limit governing the use of the EUR.2 form is not justified and, on the other hand, that its extension to other forms of transport in making more general the EUR.2 procedure would achieve the opposite to the goal intended, that is that it would lead to a complication rather than a simplification, notably that it might lead to permanent arguments between the users and the administrations. These delegations equally feel that the proposal envisaged does not contain the same guarantees as are present with postal traffic by reason of the controls to which the packages are submitted, notably concerning weight and volume.

The Italian delegation has reserved its position for the moment but has expressed a negative expectation in the same sense as the French and Belgian delegations.

The Commission feels that the raising of the value limit envisaged is amply justified and constitutes a minimum, bearing in mind the changes in economic and monetary conditions since its introduction. The Commission feels, additionally, that the new provision does not lead in every case to the use of the form EUR.2 and that the guarantees offered by the private companies concerned are not, taking into account their administrative structure, much inferior to those offered by the postal administrations.

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Concerning the draft form annexed to the decision, the Irish delegation has presented a proposal intended to include on the form information concerning the criteria of origin used. The majority of the delegations do not agree with this suggestion and the Commission does not agree with this view, because this supplementary information would risk making the form, on a formal basis, one which does not agree with the Geneva lay-out key and fundamentally might lead to complications at its issue and control.

It should be noted, however, that this form has been simplified compared with the former version, insofar as it no longer consists of two pages; in practice both were used whereas one was sufficient.

This is the state of play concerning these two draft decisions which are proposed to the Council for adoption as the common position of the Community for the Joint Committees instituted for the various EEC-EFTA Agreements. The annexed drafts are for the EEC-Austria Agreement and constitute models for use in identical form for the other Agreements.



Draft

DECISION OF THE JOINT COMMITTEE

amending Protocol No 3 concerning the definition of the concept of "originating products" and methods of administrative cooperation and Decision No 3/73 of the Joint Committee fixing the methods of administrative cooperation in the customs field

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THE JOINT COMMITTEE,

Having regard to the Agreement between the European Economic Community and the Republic of Austria, signed in Brussels on 22 July 1972;

Having regard to Protocol No 3 concerning the definition of the concept of "originating products" and methods of administrative cooperation (hereinafter referred to as "Protocol No 3"), and in particular Article 28 thereof;

Whereas experience has shown that it is necessary to simplify the procedures for the issue of movement certificates to raise the value limits laid down in Article 14 of Protocol No 3;

HAS DECIDED AS FOLLOWS :

Article 1

Article 8 of Decision No 3/73 of the Joint Committee is replaced by the following :

"Article 8

1. For the purpose of implementing Articles 2 and 3 of Protocol No 3,

EUR.1 movement certificates must indicate, without prejudice to the application of paragraph 2 below, the country in which the goods are considered to originate.

2. If the information specified in paragraph 1 is not entered in the space No 7 marked "Remarks", the certificate shall be regarded as covering products originating in the country issuing it."

#### Article 2

Paragraphs 1 and 2 of Article 14 of Protocol No 3 are replaced by the following :

#### "Article 14

1. The Community and Austria shall admit goods sent as small packages to private persons or forming part of travellers' personal luggage as originating products benefiting from the Agreement without requiring the production of a movement certificate EUR.1 or the completion of a form EUR.2 provided that such goods are not imported by way of trade and have been declared as meeting the conditions required for the application of these provisions, and where there is no doubt as to the veracity of such declaration.
2. Importations which are occasional and consist solely of goods for the personal use of the recipients or travellers or their families shall not be considered as importations by way of trade if it is evident from the nature and quantity of the goods that no commercial purpose is in view. Furthermore, the total value of these goods must not exceed 100 units of account in the case of small packages or 300 units of account in the case of the contents of travellers' personal luggage.

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Note 8 referring to Article 10 in Annex I to Protocol No 3 is deleted.

Done at Brussels,  
For the Joint Committee,  
The Chairman,

The Secretaries



DECISION OF THE JOINT COMMITTEE  
relating to Protocol No 3 concerning the definition  
of the concept of "originating products" and  
methods of administrative cooperation

THE JOINT COMMITTEE,

Having regard to the Agreement between the European Economic Community and the Republic of Austria, signed in Brussels on 22 July 1972;

Having regard to Protocol No 3 concerning the definition of the concept of "originating products" and methods of administrative cooperation (hereinafter referred to as "Protocol No 3"), and in particular Article 28 thereof;

Whereas it is necessary to extend to other modes of transport the measures adopted under Decision No 4/73 of the Joint Committee and to raise the value limit of one thousand units of account laid down in that Decision;

HAS DECIDED AS FOLLOWS :

Article 1

1. Originating products coming within the definitions laid down in Protocol No 3 shall, provided that their value does not exceed one thousand five hundred units of account per consignment, be admitted for importation into the Community or Austria under the terms of the Agreement on presentation of a form EUR.2 corresponding to the specimen set out in the Annex to this Decision.

2. One form EUR.2 shall be used for each consignment. Each consignment may also contain non-originating products. In such cases, the provisions of paragraph 1 shall apply only to that part of the consignment which consists of originating products.
3. The unit of account (UA) has a value of 0.88867088 gr. of fine gold. Should the unit of account be changed, the Contracting Parties shall make contact with each other at Joint Committee level for the purpose of re-defining the value in terms of gold.

#### Article 2

Form EUR.2 shall be completed by the exporter. It shall be made out in one of the languages in which the Agreement is drawn up and in accordance with the provisions of the domestic law of the exporting State. If it is handwritten it must be completed in ink and in block letters. Form EUR.2 shall be measured 210 x 148 mm. The paper used shall be white paper dressed for writing not containing mechanical pulp and weighing not less than 64 g/m<sup>2</sup>.

The Member States of the Community and Austria may reserve the right to print the forms themselves or may have them printed by printers they have approved. In the latter case each certificate must include a reference to such approval. In addition, it must bear the distinctive sign attributed to the approved printer and a serial number.

#### Article 3

In order to ensure proper application of this Decision, the Member States of the Community and Austria shall assist each other, through their respective Customs administrations, for the purpose of checking the authenticity and accuracy of exporters' declarations made on forms EUR.2.

Article 4

Penalties shall be imposed on any person who completes a form or causes a form to be completed which contains inaccurate information for the purpose of enabling goods to benefit from preferential treatment.

Article 5

Forms A.OS.2, based on the specimen annexed to Protocol No 3 of the Interim Agreement between the European Economic Community and the Republic of Austria signed on 22 July 1972, and forms EUR.2 based on the specimen annexed to Decision No 4/73 of the Joint Committee, may continue to be used under the conditions laid down in this Decision, until stocks have been exhausted.

Article 6

Decision No 4/73 of the Joint Committee is repealed.

Article 7

1. The text of paragraph 1 of Article 18 of Joint Committee Decision No 3/73 is replaced by the following :

" Under the responsibility of the exporter, he or his authorized representative shall complete and sign form EUR.2, a specimen of which is annexed to Joint Committee Decision No

If the goods contained in the consignment have already been subject to verification in the exporting country by reference to the definition of the concept of originating products, the exporter may refer to this check in space No.6 marked "Remarks" on form EUR.2. "

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2. Paragraph 2 of Article 18 of Joint Committee Decision No 3/73 is repealed.

Article 8

2 of Article 19 of Joint Committee Decision No 3/73 is replaced by the following :

- "2. For the purpose of implementing the provisions of paragraph 1, the Customs authorities of the importing State shall return movement certificate EUR.1 or form EUR.2 or a photocopy thereof to the Customs authorities of the exporting State, giving where appropriate the reasons of form or substance for an inquiry. The invoice, if submitted, or a copy thereof, shall be attached to the form EUR.2, or to the photocopy thereof and the Customs authorities shall forward any information that has been obtained suggesting that the particulars given on the said certificate or on the said form are inaccurate."

Done at Brussels,  
For the Joint Committee,  
The Chairman

The Secretaries

ANNEX

(front)

FORM EUR.2 No A 000000		1. FORM USED IN PREFERENTIAL TRADE between ..... and .....	
2. EXPORTER (name, full address, country)		3. DECLARATION BY THE EXPORTER I, the undersigned, exporter of the goods described below - DECLARE that they fulfil the neces- sary conditions for the completion of this form; - UNDERTAKE to submit to the appropriate authorities any supporting evidence which these authorities may require and to agree to any inspection by them of my accounts and any check by them of the processes of manufacture of the goods described below.	
4. CONSIGNEE (name, full address country)		5. PLACE AND DATE	
6. REMARKS (1)		7. SIGNATURE OF EXPORTER	
		8.	9. COUNTRY OF DESTI- NATION (2)
		10. GROSS WEIGHT	
11. MARKS AND NUMBERS OF PACKAGES AND DESCRIP- TION OF GOODS		12. AUTHORITIES IN THE EXPORT- ING COUNTRY RESPONSIBLE FOR VERIFICATION OF THE DECLA- RATION BY THE EXPORTER	

(1) Refer to any verification already carried out by the appropriate authorities.

(2) The expression "country of destination" includes a group of countries and a single territory.

(back)

REQUEST FOR VERIFICATION	RESULT OF VERIFICATION
<p>The undersigned Customs officer requests that the declaration by the exporter on the front of this form be verified</p> <p>..... (Place and date of signature)</p> <p>Official stamp</p> <p>..... (Signature of Customs officer)</p>	<p>Verification carried out by the undersigned Customs officer shows that:</p> <p><input type="checkbox"/> the statements and particulars given in this form are accurate (1);</p> <p><input type="checkbox"/> this form does not meet the requirements as to authenticity and accuracy (see remarks appended) (1)</p> <p>..... (Place and date of signature)</p> <p>Official stamp</p> <p>..... (Signature of Customs officer)</p>

(1) Place an x where applicable

### INSTRUCTIONS FOR THE COMPLETION OF FORM EUR.2

A. A form EUR.2 may be made out only for goods which in the exporting country fulfil the conditions specified by the provisions governing trade of the type referred to in space No 1 on the form.

These provisions must be studied carefully before the form is completed.

B. In the case of postal despatches (including parcels), the exporter must

1. give either on the green label CI or on customs declaration C2/CP3, the reference "EUR.2" followed by the serial number of the form;

2. where the goods are sent by parcel post, attach the form to the despatch note, or where the goods are sent by letter post, attach it firmly to the package itself.