

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(74) 1768 final

Brussels, 31 October 1974

## RECOMMENDATION FOR A DECISION OF THE COUNCIL

concerning the negotiation of agreements on the  
proposed Annexes to the International Convention  
on the Simplification and Harmonisation of Customs  
Procedures

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(submitted to the Council by the Commission)

1870

EXPLANATORY NOTE

Introduction

On 4 June 1974 the Council authorised the Commission to sign on behalf of the Community the International Convention for the simplification and harmonisation of customs procedures drawn up by the Customs Cooperation Council (CCC).

This Convention consists of one common section - which the Community has now signed - and a number of annexes each dealing with specific questions and each of which, for the purposes of voting in the CCC is considered as being a separate Convention.

A number of these annexes have already been the subject of recommendations for a decision of the Council, the object of which was to authorise the Commission to conduct negotiations on behalf of the Community on each of the separate annexes. However, according to the outline programme drawn up by the CCC, many more annexes dealing with customs matters are envisaged for the future. In fact, if the CCC keeps to its programme there are over 20 such annexes to come.

To the extent that the Community needs to negotiate an agreement on each of those separate annexes the Commission, following recent precedents, could seek a negotiating mandate for each specific annex or group of annexes. This would be a rather cumbersome approach involving much repetition, as well as being wasteful of scarce official time and resources. In the interests, therefore, of rationalising the institutional procedures involved the attached draft recommendation seeks an overall negotiating mandate covering most of the outstanding annexes proposed in the CCC's programme. Such an approach has in fact been advocated by member States themselves during discussions in the Council's Economic Questions Group which has recently considered individual negotiating mandates covering specific annexes.

Should further annexes not at present outlined in the CCC's programme be proposed separate requests for negotiating mandates will of course be put forward as appropriate.

Nature of the proposed annexes

Texts of the remaining annexes to the Convention of Kyoto are not yet available, indeed much of the CCC's work is probably still at a conceptual stage. It seems clear, however, that in many cases they deal with questions which are already or which will soon be subject of proposals from the Commission for an appropriate Community instrument.

The programme of annexes is divided into various general sections each one of which includes a number of proposed annexes dealing with a more particular issue. Section A of the CCC's outline programme deals with formalities prior to the lodging of a customs entry. This question is already the subject of a Community instrument, namely : Council Directive of 30 July 1968 on the harmonisation of the provisions laid down by law, regulation or administrative action relating to : 1. customs treatment entering the customs territory of the Community, 2. temporary storage of such goods.

Section B deals with the customs clearance of goods intended for home use. The texts of the two outstanding annexes under this section, B 5 and B 6 are still not available, but it is clear from the title that annex B 5 will be of especial interest, in particular in the context of the Community's own resources system. Annex B 6 is of similar interest and the Commission has already submitted a proposal to the Council (1) covering much the same subject as the CCC's proposal will do.

Section C is concerned with customs clearance of goods for exportation, annex C 1 dealing with definitive exportation, annex C 2 dealing with temporary exportation pending reimportation of the goods in the same state. Here again texts are not yet available, but it seems hardly necessary to state the importance to the working of the customs union and the common agricultural policy of any proposals bearing on the formalities to be carried at exportation of goods from the Community. In addition it is likely that annex C 2 will at least in part deal with matters similar to those of the proposal referred to at footnote 1) below.

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(1) Doc. COM(74) 417 final -- Proposal for a Council Regulation on the customs treatment applicable to goods returned to the customs territory of the Community

RECOMMENDATION FOR A  
DECISION OF THE COUNCIL

concerning the negotiation of agreements on the  
proposed Annexes to the International Convention  
on the Simplification and Harmonisation  
of Customs Procedures

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THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community  
and in particular Article 113 thereof ;

Having regard to the Recommendation of the Commission,

Whereas the conclusion of agreements on the proposed annexes to the  
International Convention on the simplification and harmonisation of  
customs procedures which are listed in the outline programme annexed  
to this decision could make a significant contribution to the develop-  
ment of the international exchange of goods;

Whereas such agreements have important implications for the collection  
on a uniform basis of the duties of the Common Customs Tariff, agri-  
cultural levies and other charges under the Common Agricultural Policy;  
whereas they should take account of the requirements of the customs  
union whereas it is therefore appropriate that the Community should  
negotiate and conclude such agreements;

HAS DECIDED AS FOLLOWS :

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Sole Article

The Commission is hereby authorised to negotiate in the Customs Cooperation Council the conclusion of agreements on the proposed Annexes to the International Convention for the Simplification and Harmonisation of Customs Procedures which are listed in the annex to this decision.

The Commission shall conduct these negotiations in consultation with the Special Committee provided for in Article 113 of the EEC Treaty, which shall assist the Commission in this task.

Done at Brussels,

For the Council

The President

One annex is still outstanding in Section E of the CCC's programme, namely E.9. which also deals with matters which are already the subject of a proposal by the Commission for a Council Directive on the harmonisation of provisions laid down by law, regulation or administrative action on outwards processing (1).

Section F deals with a miscellany of special customs procedures. F.1 is already regulated at Community level by Council Directive of 4 March 1969 on the harmonisation of provisions laid down by law, regulation or administrative action on free zones. The proposed annex F.2 also concerns a subject to be regulated at Community level and on which the Commission has submitted a proposal to the Council (2).

Annexes F.3 to F.7, with the exception of F.6 which has already been adopted have still not been prepared. But in each case they relate to questions which have been or will be regulated by a Community legislative provisions.

Need for Community action in negotiation of agreements on the proposed annexes

It is clear that considered individually or collectively the draft annexes to be drawn up by the CCC have a direct and considerable bearing on, in particular the uniform application of the Common Customs Tariff, as well as the working of the customs union as a whole.

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(1) Doc. COM(72)936 final

(2) Doc. COM(72)1623 - Proposal for a Council Regulation concerning the regime allowing processing of goods under customs control before they enter into home use.

If the Common Customs Tariff is an essential component of the Common Commercial Policy, then those customs procedures and formalities designed to ensure its uniform application must also be considered as an essential instrument of that policy. It follows, by virtue of Article 113 of the EEC Treaty, that the Community is competent to negotiate any agreement relating to the CCC's proposed annexes.

Article 113 of the EEC Treaty also stipulate that, within this framework, when agreements with third countries are to be negotiated, the Commission shall submit recommendations to the Council authorising it to open the necessary negotiations.

#### Conclusion

The Commission recommends the Council by virtue of Article 113 of the EEC Treaty to authorise it to negotiate agreements on the proposed annexes to the International Convention on the simplification and harmonisation of customs procedures which are listed in the outline programme prepared by the Customs Cooperation Council (as annexed to the attached proposal for a decision of the Council).



INTERNATIONAL CONVENTION  
ON THE SIMPLIFICATION AND HARMONISATION  
OF CUSTOMS PROCEDURES

DRAFT PLAN OF ANNEXES

A. FORMALITIES PRIOR TO THE LODGING OF THE GOODS DECLARATION (INWARDS)

1. Importation by sea : formalities prior to the lodging of the Goods declaration (inwards).
2. Importation by air : formalities prior to the lodging of the Goods declaration (inwards).
3. Importation by road : formalities prior to the lodging of the Goods declaration (inwards).
4. Importation by rail : formalities prior to the lodging of the Goods declaration (inwards).
5. Importation by inland waterway : formalities prior to the lodging of the Goods declaration (inwards).
6. Importation by other means : formalities prior to the lodging of the Goods declaration (inwards).
7. Temporary storage of goods.
8. Transformation or destruction of goods before clearance.

B. CLEARANCE OF GOODS FOR HOME USE

5. Goods granted outright duty-free admission or admission at reduced rates.
6. Goods re-imported in the same state as exported.

C. CLEARANCE OF GOODS AT EXPORTATION

1. Outright exportation of goods in free circulation.
2. Temporary exportation of goods for re-importation in the same state.

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E. CONDITIONAL RELIEF PROCEDURES AND PROCESSING TRAFFIC

- c. Temporary exportation of goods in free circulation for outward processing.

F. SPECIAL CUSTOMS PROCEDURES

1. Free zones and free ports.
2. Manufacture under Customs control of goods for home use.
3. Customs provisions concerning travel and tourism.
4. Customs provisions concerning postal traffic.
5. Customs provisions concerning urgent consignments.
7. Rules applicable to periods, dates and time limits.