II

(Acts whose publication is not obligatory)

COUNCIL

COUNCIL DECISION

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

(88/245/EEC)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 227 (2) thereof,

Having regard to the proposal from the Commission (1),

Having regard to the opinion of the European Parliament (2),

Whereas it is incumbent upon the institutions of the Community to see that the economic and social development of the French overseas departments is made possible ;

Whereas the Treaty and secondary legislation are applicable to the French overseas departments, subject to decisions by the Community institutions adopting specific measures commensurate with the economic and social conditions of those departments ;

Whereas, for reasons connected with the geographic, economic and social situation of the French overseas departments, the French Republic should be authorized to apply, 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 ;

Whereas this derogation should be limited in terms of its duration, the quantities which can benefit from it and the level of reduction of the duty ;

Whereas a limit should be proposed to the period of application of this Decision, in accordance with the timetable for the approximation of laws in the Community and the harmonization of excise duties ;

Whereas the Commission is currently preparing an action programme for the French overseas departments, comprising specific measures for the adaptation of Community policies and new action designed to ease the economic recovery of these regions,

HAS ADOPTED THIS DECISION :

Article 1

The French Republic is hereby authorized to apply, by way of derogation from Article 95 of the Treaty, in its overseas departments and in metropolitan France, to the consumption of 'traditional' rum produced in those departments, a rate of revenue duty lower than the full rate of that duty applicable to spirits falling within CN codes 2208 20 to 2208 90.

Article 2

The derogation referred to in Article 1 shall be limited to 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. This product must have a volatile element content, excluding ethyl alcohol, in excess of 225 g/hl at 100 % vol. and must be produced at a pure alcoholic strength by volume of less than 80 % vol.

(1) OJ No C 107, 28. 4. 1982, p. 6.
(2) OJ No C 96, 11. 4. 1983, p. 109.

Article 3

1. In metropolitan France the reduced fiscal duty applicable to the product referred to in Article 2 shall be applied to the following annual quotas :

— in 1988 : 99 000 hl of pure alcohol,
— in 1989 : 97 000 hl of pure alcohol,
— in 1990 : 95 000 hl of pure alcohol,
— in 1991 : 92 000 hl of pure alcohol,
— in 1992 : 90 000 hl of pure alcohol.

2. The ratio, expressed in percentage terms, between the reduced rate of consumption tax applied in metropolitan France to 'traditional' rum and the full rate applied to spirits may not be less than the ratio between those two rates obtaining in metropolitan France when this Decision enters into force.

3. This Decision shall apply until 31 December 1992.

Article 4

This Decision is addressed to the French Republic.

Done at Luxembourg, 19 April 1988.

For the Council

The President

I. KIECHLE