COUNCIL DECISION (EU) 2017/560

of 21 March 2017

on the position to be adopted on behalf of the European Union within the EU-Mexico Joint Committee relating to amendments to Annex III to Decision No 2/2000 of the EC-Mexico Joint Council of 23 March 2000 concerning the definition of the concept of originating products and methods of administrative cooperation (certain product-specific rules of origin for chemicals)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 207 in conjunction with Article 218(9) thereof,

Having regard to the proposal from the European Commission,

Whereas:

(1) Joint Declaration V ([1]) to Decision No 2/2000 of the EC-Mexico Joint Council ([2]) established by the Economic Partnership, Political Coordination and Cooperation Agreement between the European Community and its Member States, of the one part, and the United Mexican States, of the other part, signed in Brussels on 8 December 1997 ([3]) ('the Agreement'), provides that the EC-Mexico Joint Committee established by the Agreement is to review the necessity to extend beyond 30 June 2003 the application of the rules of origin set out in Notes 2 and 3 of Appendix II(a) to Annex III to Decision No 2/2000 ('Notes 2 and 3'). That review concerns the product-specific rules in Appendix II to Annex III to Decision No 2/2000 for certain chemical products under the Harmonised System headings 2914 and 2915.

(2) On 17 September 2010 the EU-Mexico Joint Committee adopted Decision No 1/2010 ([4]), extending the application of the rules of origin established in Notes 2 and 3 for the third time. Decision No 1/2010 applied until 30 June 2014.

(3) It is appropriate to extend the application of the rules of origin established in Notes 2 and 3 on a temporary basis with effect from 1 July 2014 until 31 December 2019, in line with the principles of the modernisation of the Agreement, to ensure continuity with future product-specific rules.

(4) Since the extension of the application of the rules of origin established in Notes 2 and 3 expired on 30 June 2014, it is appropriate to apply the new extension retroactively from 1 July 2014, in order to avoid disrupting existing economic conditions.

(5) Appendix II to Annex III to Decision No 2/2000 should therefore be amended to extend the application of the rules of origin established in Notes 2 and 3 on a temporary basis with effect from 1 July 2014 until 31 December 2019.

(6) For the purposes of the retroactive application, the time limit for presentation of the proof of origin by way of a EUR.1 movement certificate or an invoice declaration should be extended from 2 years to 3 years for the relevant chemical products imported into the Union in the period from 1 July 2014 to 30 June 2015.

(7) Appendix V to Annex III to Decision No 2/2000 should therefore be replaced.

(8) The position of the Union within the EU-Mexico Joint Committee should therefore be based on the attached draft Decision,

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([1]) OJ L 245, 29.9.2000, p. 1167.
([2]) Decision No 2/2000 of the EC-Mexico Joint Council of 23 March 2000 (OJ L 157, 30.6.2000, p. 10).
([3]) OJ L 276, 28.10.2000, p. 45.
([4]) Decision No 1/2010 of the EU-Mexico Joint Committee of 17 September 2010 relating to Annex III to Decision No 2/2000 of the EU-Mexico Joint Council concerning the definition of the concept of originating products and methods of administrative cooperation (OJ L 277, 21.10.2010, p. 30).

HAS ADOPTED THIS DECISION:

Article 1

1. The position to be adopted on behalf of the Union within the EU-Mexico Joint Committee relating to amendments to Annex III to Decision No 2/2000 of the EC-Mexico Joint Council shall be based on the draft Decision of the EU-Mexico Joint Committee attached to this Decision.

2. The representatives of the Union in the EU-Mexico Joint Committee may agree to minor changes to the draft Decision of the EU-Mexico Joint Committee referred to in paragraph 1 without further decision of the Council.

Article 2

The Decision of the EU-Mexico Joint Committee relating to amendments to Annex III to Decision No 2/2000 of the EC-Mexico Joint Council shall be published in the *Official Journal of the European Union*.

Done at Brussels, 21 March 2017.

For the Council
The President
E. SCICLUNA

DRAFT

DECISION No 1/2017 OF THE EU-MEXICO JOINT COMMITTEE

of …

relating to amendments to Annex III to Decision No 2/2000 of the EC-Mexico Joint Council of 23 March 2000 concerning the definition of the concept of originating products and methods of administrative cooperation (certain product-specific rules of origin for chemicals)

THE JOINT COMMITTEE,

Having regard to Decision No 2/2000 of the EC-Mexico Joint Council of 23 March 2000 ([1]) and its Annex III, and in particular Article 38 of Annex III,

Whereas:

(1) Annex III to Decision No 2/2000 ('Annex III') sets out the rules of origin for the products originating in the territory of the Parties to the Economic Partnership, Political Coordination and Cooperation Agreement between the European Community and its Member States, of the one part, and the United Mexican States, of the other part, signed in Brussels on 8 December 1997 ([2]) ('the Agreement').

(2) The product-specific rules of origin set out in Appendix II to Annex III for products classified in Harmonized System headings 2914 and 2915 should be amended to allow the temporary application from 1 July 2014 to 31 December 2019 of the product-specific rules of origin set out in Notes 2 and 3 of Appendix II(a) to Annex III and should be updated to allow a modernised product-specific rule of origin in line with recent trade agreements. It is appropriate to apply the new extension retroactively from 1 July 2014 in order to avoid disruption in existing economic conditions.

(3) Appendix V to Annex III sets out the time limit for each Party to accept an EUR.1 movement certificate issued retrospectively as referred to in Article 17(3) of Annex III, or for the exporter to present an invoice declaration to the customs authority of the importing Party after exportation of the products as provided for in Article 20(6) of Annex III.

(4) For products falling under Harmonized System headings 2914 and 2915 imported into the EU in the period from 1 July 2014 to 30 June 2015, the period of presentation should be extended to three years to take into account the retroactive amendments to the product-specific rules of origin for those products.

(5) The title of Appendix V to Annex III should be amended to align it with the changed time limit to accept EUR.1 movement certificates and to align it with Article 17(3) and Article 20(6) of Annex III.

(6) Annex III should therefore be amended accordingly,

HAS ADOPTED THIS DECISION:

Article 1

1. Appendix II to Annex III to Decision No 2/2000 is amended as set out in Annex I to this Decision.

2. Appendix V to Annex III to Decision No 2/2000 is replaced as set out in Annex II to this Decision.

([1]) OJ L 157, 30.6.2000, p. 10.
([2]) OJ L 276, 28.10.2000, p. 45.

Article 2

This Decision shall enter into force on the 45th day following the date of its adoption.

It shall apply with effect from 1 July 2014.

Done at …,

For the Joint Committee

ANNEX I

Appendix II to Annex III to Decision No 2/2000 is amended as follows:

1. the following entry is inserted:

'HS heading	Description of product	Working or processing carried out on non-originating materials that confers originating status	
(1)	(2)	(3) or (4)	
ex 2914 (*)	— Diacetone alcohol — Methyl isobutyl ketone — Mesityl oxide	Manufacture from acetone	Manufacture in which a chemical reaction is made (**)

(*) Applicable from 1 July 2014 to 31 December 2019.
(**) A 'chemical reaction' is a process (including a biochemical process) which results in a molecule with a new structure by breaking intramolecular bonds and by forming new intramolecular bonds, or by altering the spatial arrangement of atoms in a molecule.
The following processes should not be considered for purposes of origin:
(a) dissolving in water or other solvents;
(b) the elimination of solvents including solvent water; or
(c) the addition or elimination of water of crystallization.';

2. the entry for HS heading 2915 is replaced by the following:

'HS heading	Description of product	Working or processing carried out on non-originating materials that confers originating status	
(1)	(2)	(3) or (4)	
2915 (*)	Saturated acyclic monocarboxylic acids and their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives, except for:	Manufacture from materials of any heading. However, the value of all the materials of headings 2915 and 2916 used may not exceed 20 % of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product
	— Acetic anhydride, ethyl and n-butyl acetate, vinyl acetate, isopropyl and methylamyl acetate, mono-, di- or trichloroacetic acids, their salts and esters	Manufacture from materials of any heading. However, the value of all the materials of heading 2916 used may not exceed 20 % of the ex-works price of the product	Manufacture in which a chemical reaction is made (**)

(*) Applicable from 1 July 2014 to 31 December 2019.
(**) A 'chemical reaction' is a process (including a biochemical process) which results in a molecule with a new structure by breaking intramolecular bonds and by forming new intramolecular bonds, or by altering the spatial arrangement of atoms in a molecule.
The following processes should not be considered for purposes of origin:
(a) dissolving in water or other solvents;
(b) the elimination of solvents including solvent water; or
(c) the addition or elimination of water of crystallization.'.

ANNEX II

Appendix V to Annex III to Decision No 2/2000 is replaced by the following:

'Appendix V

PERIOD OF TIME FOR ACCEPTANCE BY THE CUSTOMS AUTHORITY OF AN EUR.1 MOVEMENT CERTIFICATE ISSUED RETROSPECTIVELY IN ACCORDANCE WITH ARTICLE 17(3) OF ANNEX III AND FOR THE PRESENTATION OF AN INVOICE DECLARATION IN ACCORDANCE WITH ARTICLE 20 (6) OF ANNEX III

1. For imports into the European Union: The period of time is two years from the time when the products to which the EUR.1 movement certificate relates are imported. For products falling under HS heading ex 2914 and 2915 as set out in Appendix II, having entered the European Union between 1 July 2014 and 30 June 2015, the period of time is three years from the time when the products to which the EUR.1 movement certificate relates are imported.

2. For imports into Mexico: The period of time is one year from the time when the products to which the EUR.1 movement certificate relates are imported.'.