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REGULATION (EEC) No 2291/72 OF THE COUNCIL

of 31 October 1972

opening, allocating and providing for the administration of a Community tariff quota for the treatment of certain textile products in Community outward processing traffic

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 proposal from the Commission;

Whereas the Community concluded an arrangement with Switzerland on 1 August 1969 on processing traffic in textiles; whereas pursuant to this arrangement, the Community declared itself ready to proceed to the opening of an annual duty-free Community tariff quota on 1 September of every year, to a total of 1 870 000 value-added units of account, in respect of goods arising from processing, to be apportioned as follows:

(a) 1 650 000 units of account for the processing of fabrics falling under Chapters 50 to 57 of the Common Customs Tariff;

(b) 143 000 units of account for twisting, throwing, multiplying, cabling and texturisation (even combined with other processes) of yarns falling under Chapters 50 to 57 of the Common Customs Tariff;

(c) 77 000 units of account for the processing of articles falling under headings 58.04, 58.05, 58.07, 58.08, 58.09 and 60.01 of the Common Customs Tariff;

Whereas, however, in order to make the allocation of the total amount of the quota between the three categories of processing mentioned above correspond better with the pattern of trade which actually developed during the year under review, it was decided by common agreement to transfer 150 000 units of account from the 1 650 000 units of account allocated to the processing of fabrics falling under Chapters 50 to 57 of the Common Customs Tariff to the 77 000 units of account reserved for the processing of articles falling within certain Common Customs Tariff headings between 58.04 and 60.01;

Whereas for the period 1 September 1972 to 31 August 1973 the Community customs quota in question should be opened, in accordance with the procedures laid down in the abovementioned arrangement, as amended;

Whereas, it is in particular necessary to ensure equal and uninterrupted access to all those concerned in such Community traffic to the abovementioned quota and uninterrupted application of the rate laid down for that quota to all re-imports into all Member States until the quota of products which have undergone one or other of the above processes have been used up; whereas having regard to the principles mentioned above, the Community nature of the quota can be respected by allocating the Community tariff quota among the Member States; whereas it is therefore sufficient to allocate this quota on the basis of traffic developed under former bilateral agreements without prejudicing the opportunities to be offered to Member States who did not previously have recourse to this kind of traffic; whereas, in order to safeguard the Community character of the quota in question, provisions should be made to cover possible needs which might arise in the Member States; whereas the method described in Article 3 of this Regulation makes it possible as an exception to take this element into account where initial shares have not been granted;

Whereas, in order to take into account the possible trend of traffic in the different Member States, the quota amount of 1 870 000 units of account should be divided into two instalments, the first instalment being allocated among the Member States, and the second forming a reserve intended ultimately to cover requirements of Member States when their initial

quota shares are used up and requirements which may arise in certain Member States as regards processing for which an initial quota share has not been granted; whereas, in order to ensure a certain degree of security to those concerned in each Member State the first instalment of the Community tariff quota should be determined at a relatively high level, which, under present circumstances, may be 90 % of the quota amount; whereas the reserve percentage (approximately 10 %) must be applied to each category of processing in pursuance of the arrangement in question;

Whereas the initial quota shares of those Member States may be used up at different times; whereas, in order to take this fact into account and avoid any break in continuity, it is important that any Member State having used up almost the whole of its initial quota share should draw an additional quota share from the reserve; whereas this must be done by each Member State as and when each of its additional quota shares is almost entirely used up, and repeated as many times as the reserve allows; whereas the initial and additional quota shares must be available for use until the end of the quota period; whereas such method of administration calls for close cooperation between Member States and the Commission, which must, in particular, be able to observe the extent to which the quota amounts are used and inform Member States thereof;

Whereas if, at a specified date in the quota period, a considerable balance of one of the initial shares remains in one or other Member State it is essential that that Member State pays a large amount of it back into the corresponding reserve, in order to avoid a part of one or other of the Community quotas remaining unused in one Member State when it could be used in others;

Whereas since the Kingdom of Belgium, the Kingdom of the Netherlands and the Grand Duchy of Luxembourg are united in and represented by the Benelux Economic Union in the apportionment of the tariff quota in question, all transactions concerning the administration of shares granted to the abovementioned Economic Union may be carried out by any one of its members,

HAS ADOPTED THIS REGULATION:

Article 1

1. As from 1 September 1972 and until 31 August 1973, and within the framework of approved processing traffic, Common Customs Tariff duties shall be totally suspended for an annual Community tariff quota of 1 870 000 value-added units of account, in respect of goods resulting from the processing operations provided for in the arrangement with Switzerland on processing traffic in textiles, and shall be allocated as follows:

(a) 1 500 000 units of account for the processing of fabrics falling under Chapters 50 to 57 of the Common Customs Tariff;

(b) 143 000 units of account for twisting or throwing, multiplying, cabling, texturisation (even combined with other processes) of the yarns falling under Chapters 50 to 57 of the Common Customs Tariff;

(c) 227 000 units of account for processing of articles falling under the following tariff headings in the Common Customs Tariff:

58.04 Woven pile fabrics and chenille fabrics (other than terry-towelling or similar terry fabrics of cotton falling within heading No 58.05)

58.05 Narrow woven fabrics, and narrow fabrics (bolduc) consisting of warp without weft assembled by means of an adhesive, other than goods falling within heading No 58.06

58.07 Chenille yarn (including flock chenille yarn), gimped yarn (other than metallised yarn of heading No 52.01 and gimped horsehair yarn); braids and ornamental trimmings in the piece; tassels, pompons and the like

58.08 Tulle and other net fabrics (but not including woven, knitted or crocheted fabrics), plain

58.09 Tulle and other net fabrics (but not including woven, knitted or crocheted fabrics), figured; hand or mechanically made lace, in the piece, in strips or in motifs

60.01 Knitted or crocheted fabric, not elastic nor rubberised.

2. For the purposes of application of this Regulation:

(a) 'processing' means:

— for the purposes of paragraph 1 (a) and (c): bleaching, dyeing, printing, flocking, impregnating, dressing and other operations which alter the appearance

or quality of a product, without, however, changing its natural state

— for the purposes of paragraph 1 (b): twisting or throwing, multiplying, cabling and texturisation, even combined with spooling, dyeing and other processes which change the appearance, the quality or the packaging or the goods, without, however, changing their nature;

(b) 'value added' means: the difference between the customs value as defined in Regulation (EEC) No 803/68,[1] and the customs value which would be established on reimportation if the products were imported in the state in which they were exported.

Article 2

1. A first instalment, amounting to 1 700 000 units of account of this Community tariff quota, shall be shared among the Member States; the proportions which, subject to the provisions of Article 6, shall be valid for each of the Member States from 1 September 1972 to 31 August 1973 shall consist of the following amounts:

(a) for Germany:

1 070 000 units of account, divided as follows:

— 900 000 units of account for processing fabrics under Chapters 50 to 57 of the Common Customs Tariff,

— 120 000 units of account for the twisting or throwing, multiplying, cabling and texturisation (whether or not combined with other forms of processing) of yarn under Chapters 50 to 57 of the Common Customs Tariff,

— 50 000 units of account for processing articles under headings 58.04, 58.05, 58.07, 58.08, 58.09 and 60.01 of the Common Customs Tariff;

(b) for France:

— 430 000 units of account for processing fabrics under Chapters 50 to 57 of the Common Customs Tariff,

— 150 000 units of account for processing articles under headings 58.04, 58.05, 58.07, 58.08, 58.09 and 60.01 of the Common Customs Tariff;

(c) for Italy:

20 000 units of account, half of which shall be for the twisting or throwing, multiplying, cabling and texturisation (whether or not combined with other forms of processing) or yarn under Chapters 50 to 57 of the Common Customs Tariff, and half for the processing of fabrics under chapters 50 to 57 or of articles under headings 58.04, 58.05, 58.08, 58.09 and 60.01 of the Common Customs Tariff;

(d) for Benelux:

30 000 units of account for the processing of yarn and fabrics under Chapters 50 to 57 or of articles under headings 58.04, 58.05, 58.07, 58.08, 58.09 and 60.01 of the Common Customs Tariff.

2. The second instalment of the Community tariff quota, amounting to 170 000 units of account, shall make up the Community reserve, which shall be divided into 150 000, 13 000 and 7000 units of account for the forms of processing referred to in Article 1 (1) under (a), (b) and (c) respectively.

Article 3

If there is a demand for the forms of processing referred to in Article 1 (1) (b), that Member State shall draw the appropriate share from the reserve, to the extent that the amount of the latter allows.

That Member State shall take the necessary measures to inform the persons concerned of this possibility.

Article 4

1. If 90 % or more of one of the initial shares of a Member State, as laid down in Article 2 (1), or 90 % of that share less the amount returned into the corresponding reserve, where the provisions of Article 6 have been applied, has been exhausted, that Member State concerned shall proceed without delay, by notifying the Commission to draw a second share equal to 10 % of its initial share, to the extent that the amount in the corresponding reserve allows.

2. If, after one or other of these initial shares has been exhausted, 90 % or more of the second share drawn by a Member State has

[1] OJ No L 148, 28.7.1968, p. 1.

been used, that Member State shall proceed without delay, by notifying the Commission, to draw a third share equal to 5 % of its initial share, to the extent that the amount in the corresponding reserve allows.

3. If, after one or other of the second shares has been exhausted, 90 % or more of the third share drawn by a Member State has been used, that Member State shall proceed, pursuant to the provisions of paragraph 2, to draw a fourth share equal to the third. That process shall be applied by analogy until each reserve is exhausted.

4. Notwithstanding the provisions of paragraphs 1, 2 and 3, each Member State may proceed to draw shares smaller than those fixed in those paragraphs if there is reason to believe that those shares might not be used up. It shall inform the Commission of the reasons which led it to apply this paragraph.

Article 5

Each of the additional shares drawn pursuant to Article 4 shall be valid until 31 August 1973.

Article 6

If, by 15 May 1973 a Member State has not used up its initial quota share as fixed by Article 2 (1) or as resulting from the application of Article 3, it shall, not later than 10 June 1973, return to the reserve the unused portion of its share in excess of 40 % of the initial amount. It may return a larger quantity if there are reasons to consider that such quantity might not be used.

The Member States shall, not later than 10 June 1973, notify the Commission of the total reimports of the products concerned effected up to 15 May 1973 inclusive, and charged against the Community quota and, where appropriate, the proportion of its initial quota share that is being returned to the reserve.

Article 7

The Commission shall keep account of the quota share opened by Member States in accordance with Articles 2, 3 and 4 and shall inform each of them of the extent to which the reserves have been used as soon as it receives the notifications. The Commission shall, not later than 15 June 1973, notify Member States of the state of each of the reserves after the return of quota shares pursuant to Article 6.

The Commission shall ensure that any drawing which uses up one of the reserves is limited to the balance available and, for this purpose, shall specify the amount thereof to the Member State which makes the final drawing.

Article 8

1. The Member States shall administer their shares in accordance with the system of advance allocation.

2. The Member States shall take all measures necessary to ensure that when additional quota are drawn pursuant to Article 4, it is possible for charges to be made without interruption against their accumulated shares of the Community tariff quota.

3. They shall guarantee free access to the quota shares allocated to all those concerned in this processing trade who are established on their territory.

4. The extent to which the quota shares of the Member State have been used up shall be recorded on the basis of the values added adopted on reimports of the products concerned under cover of declarations that they have been entered into consumption.

Article 9

Member States shall inform the Commission at regular intervals of reimports of products actually charged against their quota shares.

Article 10

The Member States and the Commission shall cooperate closely to see that the provisions of the preceding Articles are observed.

Article 11

This Regulation shall enter into force on the day of its publication in the *Official Journal of the European Communities*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Luxembourg, 31 October 1972.

For the Council

The President

P. LARDINOIS