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(Acts whose publication is obligatory)

REGULATION (EEC) No 3025/73 OF THE COUNCIL

of 6 November 1973

on the opening, allocation and means of 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 on 1 August 1969 the Community concluded an Arrangement with Switzerland on the processing traffic in textiles ; whereas under that Arrangement the Community undertook to open an annual Community duty-free tariff quota on 1 September every year amounting to a total of 1 870 000 units of account of added value for processed goods, divided as follows :

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

(b) 143 000 units of account for the twisting or throwing, cabling, texturising (whether or not combined with other processing works) of yarns falling within Chapters 50 to 57 of the Common Customs Tariff ;

(c) 77 000 units of account for processing work on articles within heading Nos 58.04, 58.05, 58.07, 58.08, 58.09 and 60.01 of the Common Customs Tariff ;

Whereas in order that the division of the whole quota into the three categories referred to above shall correspond more exactly with the actual movement of trade during the reference year it has been decided by joint agreement to raise to 377 000 units of account the amount of 77 000 units of account set aside for the processing of articles falling within certain tariff headings in the Common Customs Tariff between 58.04 and 60.01 by levying a total sum of 300 000 units of account on the share of the quota granted to Benelux for all processing operations and also on the shares of the quotas granted to other Member States for the processing of textile fabrics and yarns falling under Chapters 50 to 57 of the Common Customs Tariff ; whereas the Community tariff quota in question should be opened for the period 1 September 1973 to 31 August 1974 according to the provisions laid down in the Arrangement specified above, as amendments ;

Whereas, as regards the textile products referred to in the abovementioned Arrangement, the new Member States do not have to take the first step towards bringing the duties in their customs tariffs into line with those in the Common Customs Tariff until 1 January 1974 ; whereas before that date the opening of a Community tariff quota does not oblige these Member States to change their customs tariffs for third countries nor to take part in the allocation of the Community tariff quota in question : whereas different systems should therefore be provided for the Member States of the Community as originally constituted and for the new Member States.

Whereas, as regards the Member States of the Community as originally constituted :

— equal and continuous access to the quota of all those concerned must be guaranteed and the rate provided for in this quota must be applied, without interruption until the quota has been used up, to all goods reimported into any of the said Member States which have received one or other of the treatments listed above ; whereas, in the light of the principles outlined above, Community tariff arrangement based on an allo-

cation among such Member States would seem to preserve the Community nature of the quota ; whereas, therefore, it seems appropriate to make the allocation taking into account the quantities recorded under the previous bilateral agreements, without prejudicing the opportunities of Member States which previously were not involved in this traffic ; whereas to safeguard the Community nature of the quota in question, provision should be made to meet requirements which may arise in these Member States in the future ; whereas in exceptional cases, the system described in Article 3 may take this factor into account where an initial share of the quota is not allocated ;

— to take account of future trends in the traffic in question in the various Member States in question, the total quota volume of 1 870 000 units of account should be divided into two tranches, the first being allocated among these Member States and the second part held as a reserve to cover at a later date requirements of these Member States who have used up their initial share of the quota, and requirements which may arise in certain Member States' processing work for which an initial share of the quota was not allocated ; whereas in order to give the parties concerned in each of the Member States concerned some degree of certainty it would be appropriate to fix the first tranche of the Community tariff quota at a relatively high level, that is 90·0 % of the amount of the quota ; whereas the reserve (amounting to 10 %) should be appropriated to each category of work pursuant to the arrangement in question ;

— the Member States' initial shares may be used up fairly rapidly ; whereas, therefore, to avoid disruption of supplies any Member State which has almost used up one of its initial shares must draw a supplementary share from the corresponding reserve ; whereas this must be done by each Member State as each one of its supplementary shares is almost used up, and as many times as the reserve allows ; whereas the initial and supplementary shares must be valid until the end of the quota period ; whereas this form of administration requires close collaboration between the said Member States and the Commission, and the Commission must be in a position to follow the extent to which the quota volume has been used up and inform the Member States thereof ;

— if, at a given date during the quota period, a considerable quantity of one or other of the initial shares is left over in a Member State it should return a significant proportion to the corresponding reserve, to prevent a part of the Community tariff quota from remaining unused in one Member State when it could be used in others ;

— since the Kingdom of Belgium, the Kingdom of the Netherlands and the Grand Duchy of Luxembourg are jointly represented by the Benelux Economic Union, any measure concerning the administration of shares allocated to that Economic Union may be carried out by one of its Members ;

Whereas as regards the new Member States :

— during the last few years it seems that these Member States have only been involved to a small extent if at all in outward processing traffic in the textile sector ; whereas the Community nature of the tariff quota in question should be safeguarded by making provision for any requirements which may arise in these Member States after 1 January 1974 ; whereas these Member States must therefore be enabled after this date to draw adequate shares from the Community reserves ;

— whereas the duties for the quota are to be fixed by the new Member States in accordance with the Act concerning the Conditions of Accession and the Adjustments to the Treaties [1], and in particular Article 39 (1) thereof ;

— whereas equal and continuous access to the quota should be ensured in such processing traffic and the rate of duty for the quota should be applied consistently to all re-imports into those Member States of products on which one or other of the aforementioned types of processing work, have been carried out until the quota is used up,

HAS ADOPTED THIS REGULATION :

Article 1

1. As from 1 September 1973 and until 31 August 1974, a Community tariff quota of 1 870 000 units

(1) OJ No L 73, 27. 3. 1972, p. 14.

of account of value added shall be opened in respect of goods resulting from the processing work as provided for in the Arrangement with Switzerland on processing traffic in textiles. Such quota shall be divided as follows :

(a) 1 370 000 units of account for processing work on woven fabrics falling within Chapters 50 to 57 of the Common Customs Tariff ;

(b) 123 000 units of account for twisting or throwing, cabling, texturizing (whether combined with other processing work) of yarns falling within Chapters 50 to 57 of the Common Customs Tariff ;

(c) 377 000 units of account for processing work on articles falling within the following headings of 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 55.08 and fabrics 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 yard (other than metallized yarn of heading No 52.01 and gimped horsehair yarn) ; braids and ornamental trimmings in the piece ; tassels, pompoms 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 rubberized).

2. For the purposes of this Regulation :

(a) 'processing work' means :

— for the purposes of paragraph 1 (a) and (c) : bleaching, dyeing, printing flocking, impregnating, dressing and other work which changes the appearance or quality of the goods, without, however, changing their nature ;

— for the purposes of paragraph 1 (b) : twisting or throwing, cabling and texturizing, whether or not combined with reeling, dyeing or other work which changes the appearance, quality or finish of the goods, without however changing their nature.

(b) 'added value' means : the difference between the value for customs purposes as defined by Regulation (EEC) No 803/68 (1) and the value for customs purposes as it would be if the products were imported in the same state in which they were exported.

3. Each of the quota amounts referred to in paragraph 1 shall be subdivided into two instalments : the first, of approximately 90 %, shall be allocated among the Member States in accordance with Article 3, the second, of approximately 10 %, shall constitute the Community reserve.

Provisions applying to the Member States of the Community as originally constituted

Article 2

The Common Customs Tariff duties shall be totally suspended up to the tariff quota referred to in Article 1 (1).

Article 3

1. The first instalments of each of the quota amounts referred to in Article 1 (1) shall be allocated among the Member States ; the quotas for each Member State subject to Article 7, shall be valid from 1 September 1973 to 31 August 1974, shall be as follows :

(a) Germany :

1 010 000 units of account, divided as follows :

— 780 000 units of account for processing work on woven fabrics falling within Chapters 50 to 57 of the Common Customs Tariff ;

— 100 000 units of account for twisting or throwing, cabling, texturizing (whether combined with other processing work) of yarns falling within Chapters 50 to 57 of the Common Customs Tariff ;

— 130 000 units of account for processing work on articles falling within headings 58.04, 58.05, 58.07, 58.08, 58.09 and 60.01 of the Common Customs Tariff ;

(1) OJ No L 148, 28. 7. 1968, p. 1.

(b) France :

600 000 units of account, divided as follows :

— 430 000 units of account for processing work on fabrics falling within Chapters 50 to 57 of the Common Customs Tariff ;

— 170 000 units of account for processing work on articles falling within headings 58.04, 58.05, 58.07, 58.08, 58.09 and 60.01 of the Common Customs Tariff ;

(c) Italy :

20 000 units of account, i.e. half for twisting or throwing, cabling texturizing (whether combined with other processing work) of yarns falling within Chapters 50 to 57 of the Common Customs Tariff, and half for processing work on articles falling within headings 58.04, 58.05, 58.07, 58.08, 58.09 and 60.01 of the Common Customs Tariff ;

(d) Benelux :

20 000 units of account for processing work on threads and woven fabrics falling within Chapters 50 to 57 or for articles falling within headings 58.04, 58.05, 58.07, 58.08, 58.09 and 60.01 of the Common Customs Tariff.

2. The second part of each of the quota amounts referred to in Article 1 (1), 150 000, 13 000 and 57 000 units of account respectively, shall constitute the Community reserve.

Article 4

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.

Article 5

1. If 90 % or more of one of the initial shares of a Member State, as laid down in Article 3 (1), or 90 % of that share less the amount returned into the corresponding reserve, where the provisions of Article 7 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 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 1, to draw a fourth share equal to the third. That process shall be applied by analogy until each reserve is exhausted.

4. Notwithstanding 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 6

Each of the additional shares drawn pursuant to Article 5 shall be valid until 31 August 1974.

Article 7

If, by 15 May 1974, a Member State has not used up its initial quota share as fixed by Article 3 (1) or as resulting from the application of Article 4, it shall, not later than 10 June 1974, return to the reserve the unused portion of its share in excess of 20 % 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 1974, notify the Commission of the total re-imports of the products concerned effected up to 15 May 1974 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 8

The Commission shall keep account of the quota share opened by Member States in accordance with Articles 3, 4 and 5 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 1974, notify Member States of the state of each of the reserves after the return of quota shares pursuant to Article 7.

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 9

The Member States shall take all measures necessary to ensure that when additional quota are drawn pursuant to Article 5, it is possible for charges to be made without interruption against their accumulated shares of the Community tariff quota.

Provisions concerning the new Member States

Article 10

1. If needs arise in the new Member States, as from 1 January 1974, in respect of the processing work referred under Article 1 (1), these States shall be allocated an adequate quota from the corresponding Community reserve established under paragraph 2 of the same Article, to the extent that the balance available in such reserve is sufficient.

2. The new Member States shall apply a tariff duty on the quotas thus allocated from the reserve, in accordance with the relevant provisions of the Act concerning the Conditions of Accession and the Adjustments to the Treaties.

Provisions for all Member States

Article 11

1. The Member States shall administer their shares in accordance with the system of advance allocation. They shall guarantee free access to the quota shares allocated to all those concerned in this processing trade who are established on their territory.

2. The extent to which the quota shares of the Member States 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 12

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

Article 13

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

Article 14

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

It shall be applicable as and from 1 September 1973.

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

Done at Brussels, 6 November 1973.

For the Council

The President

I. NØRGAARD