REGULATION (EEC) No 3538/73 OF THE COUNCIL

of 18 December 1973

on the use to be made of inward processing arrangements in trade in goods covered by Regulation (EEC) No 1059/69 between Member States of the Community as originally constituted and the new Member States and between the new Member States themselves

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community ;

Having regard to the Treaty (1) on the Accession of new Member States to the European Economic Community and the European Atomic Energy Community, signed on 22 January 1972, and in particular Article 47 (5) of the Act of Accession annexed thereto ;

Having regard to the proposal from the Commission ;

Whereas for as long as customs duties or components intended to ensure the protection of the processing industry referred to in Article 47 (2) or Article 61 of the Act of Accession still apply to trade in certain agricultural products or goods covered by Council Regulation (EEC) No 1059/69 (2) of 20 May 1969 laying down the trade arrangements applicable to certain goods resulting from the processing of agricultural products, as last amended by Regulation (EEC) No 1491/73 (3), between Member States of the Community as originally constituted and the new Member States and between the new Member States themselves, it may be economically justifiable to process or work under processing arrangements products of every kind and, subject to the provisions made in virtue of Article 45 of the Act of Accession, to admit the compensating products, which is subject to customs duties or to a protective component, to free circulation ; whereas to enable such operations to be carried out, special provisions should be adopted, to be applicable during the period concerned ;

Whereas during the period referred to above compensating products may be manufactured or assembled from products imported from another Member State which fulfil one of the conditions referred to in Article 9 (2) of the Treaty ; whereas when these compensating products are liable to compensatory amounts in trade between Member States the result is that price regulation no longer has any effect ; whereas it is important therefore in these circumstances to prohibit the admission of such compensating products to free circulation,

HAS ADOPTED THIS REGULATION :

Article 1

For the purpose of this Regulation the Member States of the Community as originally constituted shall be regarded as a single Member State.

Article 2

1. It shall be prohibited, as long as the system of compensatory amounts provided for in Article 47 (1) of the Act of Accession is applied, to export from one Member State to another goods covered by Regulation (EEC) No 1059/69 which have been manufactured or obtained from basic products, products arising from the processing thereof or products assimilated to one of these two categories imported from a Member State or third country which have not been subjected in the exporting Member State to either :

— compensatory amounts, as provided for in Article 47 of the Act of Accession ;

— compensatory amounts, as provided for in Article 55 of the Act of Accession ;

— charges applicable to them in virtue of Article 5 of Regulation (EEC) No 1059/69 ;

— levies or other amounts or taxes, as provided for under the common agricultural policy.

2. Notwithstanding the provisions of Article 10 (2) of Regulation (EEC) No 1059/69, where the charge or levy includes a component intended to ensure the protection of the processing industry referred to in Article 47 (2) or, where appropriate, Article 61 of the Act of Accession, paragraph 1 shall not apply in respect of such component for as long as customs duties or components intended to ensure the protection of the processing industry remain in force in trade between Member States.

Article 3

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

It shall apply from 1 January 1974.

(1) OJ No L 73, 27. 3. 1972, p. 5.
(2) OJ No L 141. 12. 6. 1969, p. 1.
(3) OJ No L 151, 7. 6. 1973, p. 1.

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

Done at Brussels, 18 December 1973.

For the Council

The President

J. CHRISTENSEN