COUNCIL REGULATION (EEC) No 533/78

of 13 March 1978

opening, allocating and providing for the administration of a Community tariff quota for liqueur wines falling within subheading ex 22.05 C of the Common Customs Tariff, originating in Cyprus and marketed under the label of 'Cyprus sherry', and introducing subsidies for similar wine products produced in the Community

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to the proposal from the Commission,

Whereas the Exchange of Letters referred to in Article 12 of the Protocol laying down certain provisions relating to the Agreement establishing an Association between the European Economic Community and the Republic of Cyprus consequent on the accession of new Member States to the European Economic Community (1) makes provision for special interim arrangements for the wine product exported under the label of 'Cyprus sherry' and intended for direct human consumption, which involve the non-application of countervailing charges on imports of this wine into Ireland and the United Kingdom, within the limits of an annual quota of 200 000 hectolitres ; whereas, to that end, Regulation (EEC) No 1253/73 (2), as amended by Regulation (EEC) No 3576/73 (3), as last extended and amended by Regulation (EEC) No 1606/76 (4), introduced arrangements for imports of the wine product exported under the label of 'Cyprus sherry', originating in and coming from Cyprus, and provided for subsidies for similar wine products produced in the Community as originally constituted and exported to Ireland and the United Kingdom ; whereas the arrangements in question expired on 30 June 1977 ;

Whereas, to allow for the disposal of existing stocks, Community arrangements were introduced until 28 February 1978 in the form of a Community tariff quota exempt from customs duties and the countervailing charge, by Regulation (EEC) No 3016/77 (5) ; whereas these arrangements should not disturb the market in Community wines similar to liqueur wines originating in Cyprus and covered by this Regulation ; whereas, to avoid distortion of the conditions of competition between the said products and similar Community wines, provision was made, in respect of the latter, for the granting of aids, based on the difference, on the market of the Member States of destination, between the prices of Community liqueur wines and the prices of the liqueur wines in question originating in Cyprus ;

Whereas, pending the implementation on 1 May 1978 of new Community arrangements, the tariff arrangements introduced by Regulation (EEC) No 3016/77 should be extended for the period 1 March 1978 to 30 April 1978 and a Community tariff quota should be opened for the products in question of a volume of 33 334 hectolitres free of customs duties and the countervailing charge ;

Whereas entry under the above Community tariff quota must be conditional on the presentation of the A.CY.1 movement certificate and on the wines being described as 'Cyprus sherry' in the V.I.1 document provided for in Regulation (EEC) No 2115/76 (6) ;

Whereas the Community nature of the quota would be respected by allocating the Community tariff quota among the Member States ; whereas, in order to reflect as accurately as possible the actual development of the market in the products concerned, such allocation should be in proportion to the requirements of the Member States, assessed by reference to both the statistics relating to imports of the said products from Cyprus over a representative period and the economic outlook for the quota period concerned ;

Whereas in this case, however, neither Community nor national statistics showing the breakdown for each of the types of wines in question are available ; whereas estimating the import needs of the Member States for the quota period is difficult because of the absence of valid precedents ; whereas because of the small amount of the tariff quota the allocation thereof between the Member States would result in such small

(1) OJ No L 133, 21. 5. 1973, p. 1.
(2) OJ No L 133, 21. 5. 1973, p. 115.
(3) OJ No L 359, 29. 12. 1973, p. 33.
(4) OJ No L 175, 1. 7. 1976, p. 6.
(5) OJ No L 355, 28. 12. 1977, p. 38.
(6) OJ No L 237, 28. 8. 1976, p. 1.

shares being allocated that they would no longer be considered commercially viable ; whereas, as a result the only possible course would seem to be to allocate the whole quota volume to the Community reserve and to provide for the possibility of those Member States in which needs might arise drawing appropriate quantities from that reserve ; whereas the shares thus drawn from the reserve must be valid until the end of the quota period ; whereas this form of administration requires close collaboration between the Member States and the Commission, which latter must, in particular, be in a position to follow the extent to which the quota volume has been used up and inform the Member States thereof ;

Whereas if, at a given date in the quota period, a Member State has a considerable quantity of the initial share left over, it is essential that it should return a significant proportion thereof to the reserve to prevent a part of the Community quota from 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 within and jointly represented by the Benelux Economic Union, any measure concerning the administration of the shares allocated to that economic union may be carried out by any one of its members,

HAS ADOPTED THIS REGULATION :

Article 1

1. Until 30 April 1978, the Common Customs Tariff duties in respect of the following products originating in Cyprus shall be totally suspended within the limits of an overall Community tariff quota of 33 334 hectolitres :

CCT heading No	Description
ex 22.05 C II a) ex 22.05 C II b) ex 22.05 C III a) 2 ex 22.05 C III b) 3 ex 22.05 C IV a) 2 ex 22.05 C IV b) 3	Liqueur wines marketed under the label of 'Cyprus sherry'

2. The Protocol on the definition of the concept of 'originating products' and on methods of administrative cooperation annexed to the Agreement between the European Economic Community and Cyprus shall be applicable.

3. The entry of these wines under the tariff quota referred to in paragraph 1 shall be conditional on their being described in the V.I.1 document provided for in Regulation (EEC) No 2115/76 as 'liqueur wines to be marketed under the label of "Cyprus sherry".'

4. Within the limits of the above tariff quota, the products referred to in paragraph 1 shall be exempt from the countervailing charges provided for in Regulation (EEC) No 816/70 (1), as last amended by Regulation (EEC) No 2211/77 (2).

Article 2

1. The quota laid down in Article 1 shall be allocated to the Community reserve.

2. If needs for the product in question arise in a Member State, it shall draw an adequate share from the reserve thus set up, in so far as the amount of the reserve so permits.

Article 3

The shares drawn pursuant to Article 2 shall be valid until 30 April 1978.

Article 4

Member States shall return to the reserve, not later than 20 April 1978, the unused portion of their share which, on 10 April 1978 is in excess of 20 % of the initial amount. They may return a greater portion if there are grounds for believing that such portion might not be used in full.

Each Member State shall, not later than 20 April 1978, notify the Commission of the total imports of the products concerned effected under the Community quota up to and including 10 April 1978 and, where appropriate, the proportion of the share returned to the reserve.

Article 5

The Commission shall keep account of the shares opened by Member States pursuant to Article 2 and, as soon as it has been notified, shall inform each State of the extent to which the reserve has been used up.

The Commission shall notify Member States not later than 23 April 1978 of the amount in the reserve after the return of shares pursuant to Article 4.

(1) OJ No L 99, 5. 5. 1970, p. 1.
(2) OJ No L 256, 7. 10. 1977, p. 1.

The Commission shall ensure that the drawing which uses up the reserve is limited to the balance available and, to this end, shall specify the amount thereof to the Member State making the final drawing.

Article 6

1. Member States shall take all measures necessary to ensure that shares drawn pursuant to Article 2 are opened in such a way that imports may be charged without interruption against their aggregate shares in the Community quota.

2. Each Member State shall ensure that importers of the products concerned established in their territory have free access to the shares allocated to it.

3. The extent to which a Member State has used up its shares shall be determined on the basis of the imports of the products in question entered for home use.

Article 7

1. Subsidies shall be granted for liqueur wines of Community origin similar to the liqueur wines described in the V.I.1 document provided for in Regulation (EEC) No 2115/76 as 'liqueur wines to be marketed under the label of "Cyprus sherry"' which are dispatched by 30 April 1978 from the producer Member States to the other Member States of the Community which have actually imported and marketed under this Regulation products referred to in Article 1.

2. The subsidies referred to in paragraph 1 shall be calculated on the basis of the difference, on the markets of the importing Member States, between the prices of Community liqueur wines and those of the liqueur wine marketed under the label of 'Cyprus sherry'.

Article 8

Detailed rules in respect, particularly, of the amount of the subsidy and of the Community liqueur wine eligible for aid, shall be adopted in accordance with the procedure laid down in Article 7 of Regulation No 24 on the progressive establishment of a common organization of the market in wine [1].

Article 9

At the request of the Commission, Member States shall inform it of imports actually charged against their shares.

Article 10

The Member States and the Commission shall collaborate closely in order to ensure that this Regulation is observed.

Article 11

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

It shall apply from 1 March 1978.

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

Done at Brussels, 13 March 1978.

For the Council

The President

Lise ØSTERGAARD

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[1] OJ No 30, 20. 4. 1962, p. 989/62.