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(Acts whose publication is obligatory)

COUNCIL REGULATION (EEC) No 923/78

of 2 May 1978

on the opening, allocation and administration of a Community tariff quota for liqueur wines, falling within subheading ex 22.05 C of the Common Customs Tariff and originating in Cyprus

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 a Supplementary Protocol to be annexed to the Agreement establishing an association between the European Economic Community and the Republic of Cyprus was initialled on 7 April 1978 ; whereas that Protocol is expected to enter into force on 1 July 1978 ; whereas Article 6 thereof provides for the opening of an annual Community tariff quota of 250 000 hectolitres of liqueur wines, falling within subheading ex 22.05 C of the Common Customs Tariff and originating in Cyprus, at rates of customs duty equal to 30 % of the Common Customs Tariff duties ; whereas the *pro rata temporis* clause is applicable ;

Whereas, in order to avoid a disruption of the trade in the product in question between Cyprus and the Community, it is necessary to bring forward the application of this tariff measure autonomously with effect from 1 May until 30 June 1978 in order to maintain continuity with the autonomous measures which the Community has taken under Regulations (EEC) No 3016/77 (1) and (EEC) No 533/78 (2) for the period 1 January to 30 April 1978 ; whereas in these circumstances it is necessary to open a Community tariff quota of 41 666 hectolitres for the period 1 May to 30 June 1978 ;

Whereas these wines remain subject to the provisions governing the common organization of the market in wine products, in particular as regards observance of the reference price ; whereas inclusion in the Community tariff quota should be subject to production of movement certificate A CY 1 and to the condition that these wines are described in the V.I.1 document provided for in Regulation (EEC) No 2115/76 (3) as 'liqueur wines' ;

Whereas Council Regulation (EEC) No 2506/75 of 29 September 1975 laying down special rules for the importation of products in the wine-growing sector originating in certain third countries (4) introduced the idea of a free-at-frontier reference price, being the reference price less customs duties actually levied ;

Whereas, for special reasons inherent in the method of production and distribution of the product in question, the import into the Community of these wines is largely carried out during the last months of the year ; whereas, therefore, the quotas opened for the period 1 January to 30 April 1978 have not been entirely used up ; whereas, by way of exception, it should be laid down that the amount remaining from the period be taken into consideration with a view to it being used during the period of validity of this Regulation ;

Whereas equal and uninterrupted access to the above-mentioned quota and uninterrupted application of the rates laid down for that quota to all imports of the products concerned into all Member States until the quota has been used up should in particular be provided for ; 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, in order to reflect more accurately the actual development of the market in the products concerned, such allocation

(1) OJ No L 355, 31. 12. 1977, p. 38.
(2) OJ No L 74, 16. 3. 1978, p. 5.
(3) OJ No L 237, 28. 8. 1976, p. 1.
(4) OJ No L 256, 2. 10. 1975, p. 2.

should be in proportion to the needs of the Member States, assessed by reference both of the statistics of each State's imports of the said products from Cyprus over a representative period and to 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 and no reliable estimates of future imports can be made ; whereas, in these circumstances, the quota volumes should be allocated in initial shares, taking into account demand for these wines on the markets of the various Member States ;

Whereas, in order to take into account import trends for the products concerned in the different Member States, the quota amount 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 the requirements of the Member States which have used up their initial quota shares ; whereas, in order to ensure a certain degree of security to importers in each Member State, the first instalment of the Community quota should be determined at a level which, under present circumstances, may be approximately 90 % of the quota amount ;

Whereas the initial shares of the 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 shares should draw an additional share from the reserve ; whereas this must be done by each Member State as and when each of its additional shares is almost entirely used up and repeated as many times as the reserve allows ; whereas the initial and additional shares must be available for use until the end of the quota period ; whereas this 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 amount is used and inform Member States thereof ;

Whereas if at a specified date in the quota period a considerable balance remains in one or other Member State it is essential that that Member State pays a large amount of it back into the reserve in order to avoid a part of the Community quota 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 all transactions concerning the administration of shares allocated to that economic union may be carried out by any one of its members,

HAS ADOPTED THIS REGULATION :

Article 1

1. From 1 May until 30 June 1978, the Common Customs Tariff duties in respect of the following products originating in Cyprus shall be suspended at the levels shown against each of them within the limits of a Community tariff quota of 41 666 hectolitres :

CCT heading No	Description	Rate of duty
22.05	Wine of fresh grapes ; grape must with fermentation arrested by the addition of alcohol :	
	C. Other :	
	II. Of an actual alcoholic strength exceeding 13° but not exceeding 15°, in containers holding :	
	ex a) Two litres or less :	
	— Liqueur wines of an actual alcoholic strength of 15°	4·2 u.a./hl
	ex b) More than two litres :	
	— Liqueur wines of an actual alcoholic strength of 15°	3·3 u.a./hl

CCT heading No	Description	Rate of duty
22.05 *(cont'd)*	III. Of an actual alcoholic strength exceeding 15° but not exceeding 18°, in containers holding :	
	a) Two litres or less :	
	ex 2. Other :	
	— Liqueur wines	5·1 u.a./hl
	b) More than two litres :	
	ex 3. Other :	
	— Liqueur wines	4·2 u.a./hl
	IV. Of an actual alcoholic strength exceeding 18° but not exceeding 22°, in containers holding :	
	a) Two litres or less :	
	ex 2. Other :	
	— Liqueur wines	5·7 u.a./hl
	b) More than two litres :	
	ex 3. Other :	
	— Liqueur wines	5·7 u.a./hl

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 inclusion of these wines in the tariff quota shall be conditional on their being described in the V.I.1 document provided for in Regulation (EEC) No 2115/76 as 'liqueur wines'.

4. The inclusion of these wines in the tariff quota shall be conditional upon observance of the reference price applying to them and production of movement certificate A CY 1.

5. The wines in question shall benefit from the tariff quota on condition that the prices on import into the Community are not at any time less than the free-at-frontier reference prices referred to in Regulation (EEC) No 2506/75 and subsequent texts which apply to them.

Article 2

1. The Community tariff quota referred to in Article 1 shall be divided into two instalments.

2. The first instalment, amounting to 35 020 hectolitres, shall be shared among the Member States ; the proportions which, subject to Article 5, shall be valid until 30 June 1978, shall be as follows :

Benelux	500 hectolitres,
Denmark	500 hectolitres,
Germany	500 hectolitres,
France	10 hectolitres,
Ireland	1 500 hectolitres,
Italy	10 hectolitres,
United Kingdom	32 000 hectolitres.

3. The shares fixed in paragraph 2 shall be increased by any part of the shares allocated by Regulations (EEC) No 3016/77 and (EEC) No 533/78 remaining on 30 April 1978.

Member States shall notify the Commission not later than 15 May 1978 of any remaining parts of the shares allocated to them by the abovementioned Regulations existing on 30 April 1978.

4. The second instalment amounting to 6 646 hectolitres shall constitute the reserve to which shall be added any parts of the reserves established by Article 2 of Regulations (EEC) No 3016/77 and (EEC) No 533/78 remaining on 30 April 1978 irrespective of the application of Article 5.

Article 3

1. If 90 % or more of the initial share of a Member State, as laid down in Article 2 (2), or 90 % of that share less the amount returned into the reserve, where the provisions of Article 5 have been applied, has been exhausted, that Member State shall proceed without delay, by notifying the Commission, to draw a second share equal to 15 % of its initial share, rounded up to the next unit where appropriate, to the extent that the amount in the reserve allows.

2. If, after its initial share has been exhausted, 90 % or more of the second share drawn by a Member State has been used, that Member State shall proceed, in the manner specified in paragraph 1 to draw a third share equal to 7·5 % of its initial share, rounded up to the next unit where appropriate.

3. If, after its second share has been exhausted, 90 % or more of the third share drawn by a Member State has been used, that Member State shall proceed, in the same way, to draw a fourth share equal to the third.

This process shall be applied until the reserve is exhausted.

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

Article 4

The additional shares drawn pursuant to Article 3 shall be valid until 30 June 1978.

Article 5

Member States shall return to the reserve, not later than 15 June 1978, the unused portion of their initial share which, on 10 June 1978, is in excess of 20 % of the initial amount. They may return a larger portion if there are grounds for believing that such portion may not be used in full.

Each Member State shall, not later than 15 June 1978, notify the Commission of the total imports of the products concerned effected up to 10 June 1978 inclusive, and charged against the Community quota, and, where appropriate, the proportion of its initial share which is being returned to the reserve.

Article 6

The Commission shall keep account of the shares opened by Member States in accordance with Articles 2 and 3 and shall inform each of them of the extent to which the reserve has been used as soon as it receives the notifications.

The Commission shall, not later than 20 June 1978, notify Member States of the amount in the reserve after the return of shares pursuant to Article 5.

The Commission shall ensure that any drawing which uses up the reserve 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 7

1. The Member States shall take all appropriate measures to ensure that, when additional shares are drawn pursuant to Article 3, it is possible for charges to be made without interruption against their accumulated shares of the Community quota.

2. The Member States shall ensure that importers of the said goods established in their territory have free access to the shares allocated to them.

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

Article 8

On receipt of a request from the Commission, Member States shall inform it of imports actually charged against their shares.

Article 9

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

Article 10

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

It shall be applicable from 1 May 1978.

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

Done at Brussels, 2 May 1978.

For the Council

The President

K. B. ANDERSEN