COUNCIL REGULATION (EEC) No 1604/92

of 15 June 1992

amending Regulation (EEC) No 2504/88 on free zones and free warehouses

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 Commission proposal (1),

Having regard to the opinion of the European Parliament (2),

Whereas Article 8 (b) of Council Regulation (EEC) No 2504/88 of 25 July 1988 on free zones and free warehouses (3) provides in particular that processing operations within a free zone shall be carried out in accordance with Council Regulation (EEC) No 1999/85 of 16 July 1985 on inward processing relief arrangements (4); whereas Article 5 of that Regulation provides that an inward processing authorization may be accorded only where the essential interests of Community producers are not affected and the economic conditions attached to the application of the said arrangements have therefore been respected;

Whereas point 8 of the Annex to Council Decision 91/314/EEC of 26 June 1991 setting up a programme of options specific to the remote and insular nature of the Canary Islands (Poseican) (5) provides that inward processing operations carried out in the Canary Islands' free zones will not be subject to the economic conditions attaching to these arrangements; whereas similar provisions are made in point 11 of the Annex to Council Decision 91/315/EEC of 26 June 1991 setting up a programme of options specific to the remote and insular nature of the Azores and Madeira (Poseima) (6); whereas Regulation (EEC) No 2504/88 should therefore be amended accordingly, with the application of this amendment being, however, extended to the overseas departments which share the outlying character of the abovementioned territories,

HAS ADOPTED THIS REGULATION:

Article 1

In Article 8 (b) of Regulation (EEC) No 2504/88, the second and third subparagraph shall be replaced by the following:

'By way of derogation from the first subparagraph, processing operations within the territory of the Old Free Port of Hamburg, the free zones of the Canary Islands, the Azores, Madeira of the overseas departments shall not be subject to the economic conditions laid down in the inward processing arrangements.

However, with regard to the Old Free Port of Hamburg, if conditions of competition in a specific economic sector in the Community are affected as a result of this derogation, the Council, acting, by a qualified majority on a proposal from the Commission, shall decide that the economic conditions laid down for the Community with regard to inward processing shall apply to the corresponding economic activity within the territory of the Old Free Port of Hamburg'.

Article 2

This Regulation shall enter into force on the third day following that 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, 15 June 1992.

For the Council

The President

João PINHEIRO

(1) OJ No C 97, 16. 4. 1992, p. 14

(2) Opinion delivered on 9 June 1992 (not yet published in the Official Journal).

(3) OJ No L 225, 15. 8. 1988, p. 8.

(4) OJ No L 188, 20. 7. 1985, p. 1.

(5) OJ No L 171, 29. 6. 1991, p. 5.

(6) OJ No L 171, 29. 6. 1991, p. 10.