

ACTS ADOPTED BY BODIES CREATED BY INTERNATIONAL AGREEMENTS

DECISION No 1/2018 OF THE EU-UKRAINE ASSOCIATION COUNCIL of 2 July 2018

supplementing Annex I-A to Chapter 1 of Title IV of the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and Ukraine, of the other part [2019/1218]

THE EU-UKRAINE ASSOCIATION COUNCIL,

Having regard to the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and Ukraine, of the other part ⁽¹⁾, signed in Brussels on 27 June 2014,

Whereas:

- (1) In accordance with Article 486 of the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and Ukraine, of the other part ('the Agreement'), parts of the Agreement, including provisions on the elimination of customs duties, and related Annex I-A to Chapter 1 of Title IV of the Agreement is applied provisionally as of 1 January 2016.
- (2) Regulation (EU) No 374/2014 of the European Parliament and of the Council ⁽²⁾ unilaterally established a preferential arrangement which allowed for the reduction or the elimination of customs duties on goods originating in Ukraine in accordance with the Annex I of that Regulation.
- (3) Such preferential arrangement corresponded to the tariff concessions which would be applied in the course of the first year of implementation of the Agreement in accordance with Annex I-A to Chapter 1 of Title IV of the Agreement.
- (4) Regulation (EU) No 1150/2014 of the European Parliament and of the Council ⁽³⁾, inter alia introduced a clarification on the specific reduction to be applied to the base rate of customs duties for each 'staging category' referred to in Annex I of that Regulation.
- (5) In the interest of clarity of the Agreement an equivalent clarification is required to specify the reduction to be applied to the base rate of customs duties for all subsequent years for each 'staging category' referred to in Annex I-A to Chapter 1 of Title IV of the Agreement. Such modalities of tariff dismantlement correspond to the mutual understanding reached with Ukraine during the negotiation, and will be applied by both parties to the Agreement.
- (6) Article 463(2) of the Agreement provides that the Association Council is a forum for exchange of information on implementation and enforcement measures.
- (7) Article 463(3) of the Agreement provides that the Association Council may update or amend the Annexes to the Agreement.
- (8) It is therefore appropriate for the EU-Ukraine Association Council to adopt a decision supplementing Annex I-A to Chapter 1 of Title IV of the Agreement,

⁽¹⁾ OJ L 161, 29.5.2014, p. 3.

⁽²⁾ Regulation (EU) No 374/2014 of the European Parliament and of the Council of 16 April 2014 on the reduction or elimination of customs duties on goods originating in Ukraine (OJ L 118, 22.4.2014, p. 1).

⁽³⁾ Regulation (EU) No 1150/2014 of the European Parliament and of the Council of 29 October 2014 amending Regulation (EU) No 374/2014 on the reduction or elimination of customs duties on goods originating in Ukraine (OJ L 313, 31.10.2014, p. 1).

HAS ADOPTED THIS DECISION:

Article 1

A new Appendix C is added to Annex I-A to Chapter 1 of Title IV of the Agreement, as set out in the Annex to this Decision to clarify the implementation of the reduction to the base rate of customs duties to be applied for all subsequent years for each 'staging category' referred to in Annex I-A to Chapter 1 of Title IV of the Agreement.

Article 2

This Decision shall enter into force on the date of its adoption.

Done at Brussels, 2 July 2018.

For the Association Council

The Chair

F. MOGHERINI

ANNEX

APPENDIX C TO ANNEX I-A TO CHAPTER 1 OF TITLE IV OF THE AGREEMENT

ELIMINATION OF CUSTOMS DUTIES

TARIFF ELIMINATION SCHEDULES OF THE PARTIES FOR GOODS ORIGINATING IN OTHER PARTY

This Appendix clarifies the reduction to the base rate of customs duties to be applied for each 'staging category'.

1. Except as otherwise provided in the Tariff Elimination Schedules of Parties included in Annex I-A to Chapter 1 of Title IV of the Agreement (hereinafter referred to as the 'Schedules'), the following clarifications apply to the elimination of customs duties by Parties pursuant to Article 29 (Elimination of Customs Duties on Imports) of Title IV (Trade and Trade-related Matters) of the Agreement:
 - (a) customs duties on goods originating in Ukraine or EU (hereinafter referred to as 'originating goods') provided for in the tariff lines in staging category '0' in the Schedules shall be eliminated entirely and such goods shall be free of any customs duty on the date this Agreement enters into force;
 - (b) customs duties on originating goods provided for in the tariff lines in staging category '1' in the Schedules shall be removed in two equal stages beginning on the date this Agreement enters into force, and such goods shall thereafter be free of any customs duty;
 - (c) customs duties on originating goods provided for in the tariff lines in staging category '2' in the Schedules shall be removed in three equal stages beginning on the date this Agreement enters into force, and such goods shall thereafter be free of any customs duty;
 - (d) customs duties on originating goods provided for in the tariff lines in staging category '3' in the Schedules shall be removed in four equal stages beginning on the date this Agreement enters into force, and such goods shall thereafter be free of any customs duty;
 - (e) customs duties on originating goods provided for in the tariff lines in staging category '5' in the Schedules shall be removed in six equal stages beginning on the date this Agreement enters into force, and such goods shall thereafter be free of any customs duty;
 - (f) customs duties on originating goods provided for in the tariff lines in staging category '7' in the Schedules shall be removed in eight equal stages beginning on the date this Agreement enters into force, and such goods shall thereafter be free of any customs duty;
 - (g) customs duties on originating goods provided for in the tariff lines in staging category '10' in the Schedules shall be removed in eleven equal stages beginning on the date this Agreement enters into force, and such goods shall thereafter be free of any customs duty;
 - (h) customs duties on originating goods provided for in tariff lines marked with '20 % in 5 years' in the Schedules shall be reduced by 20 % in six equal stages beginning on the date this Agreement enters into force, and such goods shall thereafter be subject to a customs duty equivalent to the base rate reduced by 20 %;
 - (i) customs duties on originating goods provided for in tariff lines marked with '20 % in 10 years' in the Schedules shall be reduced by 20 % in eleven equal stages beginning on the date this Agreement enters into force, and such goods shall thereafter be subject to a customs duty equivalent to the base rate reduced by 20 %;
 - (j) customs duties on originating goods provided for in tariff lines marked with '30 % in 5 years' in the Schedules shall be reduced by 30 % in six equal stages beginning on the date this Agreement enters into force, and such goods shall thereafter be subject to a customs duty equivalent to the base rate reduced by 30 %;
 - (k) customs duties on originating goods provided for in tariff lines marked with '50 % in 5 years' in the Schedules shall be reduced by 50 % in six equal stages beginning on the date this Agreement enters into force, and such goods shall thereafter be subject to a customs duty equivalent to the base rate reduced by 50 %;

- (l) customs duties on originating goods provided for in tariff lines marked with '50 % in 7 years' in the Schedules shall be reduced by 50 % in eight equal stages beginning on the date this Agreement enters into force, and such goods shall thereafter be subject to a customs duty equivalent to the base rate reduced by 50 %;
 - (m) customs duties on originating goods provided for in tariff lines marked with '50 % in 10 years' in the Schedules shall be reduced by 50 % in eleven equal stages beginning on the date this Agreement enters into force, and such goods shall thereafter be subject to a customs duty equivalent to the base rate reduced by 50 %;
 - (n) customs duties on originating goods provided for in tariff lines marked with '60 % in 5 years' in the Schedules shall be reduced by 60 % in six equal stages beginning on the date this Agreement enters into force, and such goods shall thereafter be subject to a customs duty equivalent to the base rate reduced by 60 %;
 - (o) customs duties on originating goods provided for in the tariff lines in staging category 'Ad valorem free (Entry Price ⁽¹⁾)' in the Schedules, shall be eliminated on the date this Agreement enters into force; the liberalisation concerns the ad valorem duty only; the specific duty linked to the entry price system applicable for these originating goods shall be maintained.
2. The base rate and staging category to determine the rate of customs duty applicable at each stage of reduction for a tariff line are indicated in the corresponding tariff line in the Schedule.
 3. For the purposes of the elimination of customs duties, the rate of customs duties applied in each stage shall be rounded down at least to the nearest tenth of a percentage point or, if the rate of customs duty is expressed in monetary units, at least to the nearest tenth of the official monetary unit of the Party.
 4. For the purposes of this Appendix, the first reduction shall take place on the entry into force of this Agreement, and each successive reduction shall take effect on 1 January of the relevant year.
 5. If the entry into force of this Agreement corresponds to a date after 1 January and before 31 December of the same year, the in-quota quantity will be pro-rated on a proportional basis for the remainder of the calendar year.
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⁽¹⁾ See Annex 2 to Annex I to Council Regulation (EEC) No 2658/87 of 23 July 1987 on the tariff and statistical nomenclature and on the Common Customs Tariff (OJ L 256, 7.9.1987, p. 1).