

# Goods originating in Ukraine: reduction or elimination of customs duties

2014/0090(COD) - 16/04/2014 - Final act

**PURPOSE:** to grant unilateral trade preferences to Ukraine.

**LEGISLATIVE ACT:** Regulation (EU) No 374/2014 of the European Parliament and of the Council on the reduction or elimination of customs duties on goods originating in Ukraine.

**BACKGROUND:** Ukraine is a priority partner country within the European Neighbourhood Policy and the Eastern Partnership. The Union has been seeking an increasingly close relationship with Ukraine going beyond mere bilateral cooperation. An Association Agreement was negotiated in 2007-2011, including a Deep and Comprehensive Free Trade Area (DCFTA), and was initialled by both parties on 30 March 2012. Pursuant to the provisions of the DCFTA, the Union and Ukraine are to establish a free trade area over a transitional period of a maximum of 10 years, starting from the entry into force of the Association Agreement.

However, in view of the unprecedented security, political and economic challenges faced by Ukraine, and in order to support its economy, it is appropriate **not to await the entry into force of the Association Agreement's provisions on DCFTA, but to anticipate its implementation** by means of autonomous trade preferences and to start unilaterally the reduction or elimination of Union customs duties on goods originating in Ukraine.

**CONTENT:** this Regulation grants unilateral trade preferences to Ukraine, providing for the temporary reduction or elimination of customs duties and tariff quotas in accordance with a schedule of concessions set out in an annex to the EU-Ukraine Association Agreement.

**Conditions for entitlement to the preferential arrangements:** entitlement to benefit from the preferential arrangements described above subject to the following:

- compliance with the rules of origin of products as provided for in Commission Regulation (EEC) No 2454/93;
- compliance with the methods of administrative cooperation provided for in Regulation (EEC) No 2454/93;
- participation by Ukraine in effective administrative cooperation with the Union in order to prevent any risk of fraud;
- abstention by Ukraine from introducing new duties or charges, or from increasing existing levels of duties or charges or from introducing any other restrictions from 23 April 2014.

**Temporary suspension:** where it finds that there is sufficient evidence of failure to comply with these conditions, the Commission may adopt implementing acts in order to suspend temporarily in whole or in part the preferential arrangements provided for in the Regulation.

**Safeguard clause:** where imports of a product originating in Ukraine and included in Annex I cause or threaten to cause serious difficulties to Union producers of like or directly competing products, the Commission may reintroduce the normal Common Customs Tariff duties with regard to such imports subject to the conditions in Council Regulation (EC) No 55/2008.

ENTRY INTO FORCE: 23/04/2014

APPLICATION: the Regulation will apply until Title IV of the Association Agreement enters into force or, where appropriate, is applied provisionally, and until 1 November 2014 at the latest. The Commission shall publish in the Official Journal of the European Union a notice in the event that the Regulation ceases to apply before that date.