

Temporary autonomous trade measures for Ukraine

2016/0308(COD) - 13/09/2017 - Final act

PURPOSE: to introduce temporary autonomous trade measures for Ukraine supplementing the trade concessions available under the Association Agreement.

LEGISLATIVE ACT: Regulation (EU) 2017/1566 of the European Parliament and of the Council on the introduction of temporary autonomous trade measures for Ukraine supplementing the trade concessions available under the Association Agreement.

CONTENT: in order to enhance the economic and political reform efforts undertaken by Ukraine, and to support and accelerate the development of closer economic relations with the Union, the Regulation **introduces new temporary autonomous trade measures for products of Ukraine origin** admitted to the European Union.

Preferential arrangements: autonomous trade measures shall take the form of the following preferential arrangements:

- zero-tariff quotas for the **agricultural products listed in Annexes I and II to this Regulation** in addition to the zero-tariff quotas set out in the Association Agreement;
- the full removal of import duties ('preferential customs duties') on **importation of the industrial products listed in Annex III to this Regulation**.

Conditions for entitlement to the preferential arrangements: Ukraine's entitlement to the zero-tariff quotas and preferential customs duties on importation shall be subject to:

- Ukraine's compliance with the **rules of origin** of products and the procedures related thereto;
- from 1 October 2017, the **abstention by Ukraine from introducing new duties or charges having equivalent effect and new quantitative restrictions or measures having equivalent effect** for imports originating in the Union, or from increasing existing levels of duties or charges or from introducing any other restrictions, including discriminatory internal administrative measures;
- **Ukraine's respect for democratic principles**, human rights and fundamental freedoms and respect for the principle of the rule of law as well as continued and sustained efforts with regard to the fight against corruption and illegal activities;
- Ukraine's continued compliance with obligations to cooperate on matters related to **employment, social policy and equal opportunities**.

Temporary suspension: the Regulation confers on the Commission implementing powers enabling it to temporarily suspend the preferential arrangements established by the Regulation and to introduce corrective measures where Union producers are likely to be seriously affected by imports under this Regulation.

Safeguard clause: subject to an investigation by the Commission, the Regulation provides for the reintroduction of Common Customs Tariff duties under the Association Agreement for imports of any product falling within the scope of the Regulation that causes or threatens to cause serious difficulties for Union producers of like or directly competing products.

The Commission shall take a formal decision to initiate an investigation within a reasonable period of time: (i) at the request of a Member State, or (ii) at the request of any legal person or any association that does not have legal personality, acting on behalf of the Union industry; (iii) or on the Commission's own initiative.

The Common Customs Tariff duties under the Association Agreement shall be reintroduced for **as long as necessary** to counteract the deterioration in the economic and/or financial situation of Union producers, or for as long as the threat of such deterioration persists. The period of reintroduction shall **not exceed one year**, unless it is extended in duly justified circumstances.

Assessment: the Commission's annual report on the implementation of the Deep and Comprehensive Free Trade Area shall include a detailed assessment of the implementation of the autonomous trade measures and, where appropriate, an assessment of the social impact of these measures in Ukraine and in the Union.

ENTRY INTO FORCE: 1.10.2017.

APPLICATION: the Regulation is applicable for a period of **three years** from 1.10.2017.