


Procedure file

Basic information	
COS - Procedure on a strategy paper (historic) 1997/2199(COS)	Procedure completed
Preferential tariff arrangements: management	
Subject 6.30.01 Generalised scheme of tariff preferences (GSP), rules of origin	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	DEVE Development and Cooperation	ELDR NORDMANN Jean-Thomas	09/10/1997
	Committee for opinion	Rapporteur for opinion	Appointed
	RELA External Economic Relations	I-EDN VAN DAM Rijk	07/10/1997
	CONT Budgetary Control		
Council of the European Union	Council configuration	Meeting	Date
	Competitiveness (Internal Market, Industry, Research and Space)	2094	18/05/1998

Key events			
23/07/1997	Non-legislative basic document published	COM(1997)0402	Summary
19/09/1997	Committee referral announced in Parliament		
18/05/1998	Resolution/conclusions adopted by Council		
23/06/1998	Vote in committee		Summary
23/06/1998	Committee report tabled for plenary	A4-0262/1998	
21/10/1998	Debate in Parliament		
22/10/1998	Decision by Parliament	T4-0624/1998	Summary
22/10/1998	End of procedure in Parliament		
09/11/1998	Final act published in Official Journal		

Technical information	

Procedure reference	1997/2199(COS)
Procedure type	COS - Procedure on a strategy paper (historic)
Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 142
Stage reached in procedure	Procedure completed
Committee dossier	DEVE/4/09226

Documentation gateway

Non-legislative basic document	COM(1997)0402	23/07/1997	EC	Summary
Committee report tabled for plenary, single reading	A4-0262/1998 OJ C 292 21.09.1998, p. 0004	23/06/1998	EP	
Text adopted by Parliament, single reading	T4-0624/1998 OJ C 341 09.11.1998, p. 0106-0145	22/10/1998	EP	Summary

Preferential tariff arrangements: management

OBJECTIVE: to analyse the discrepancies of preferential tariff arrangements with a view to strengthening these arrangements. **SUBSTANCE:** as the leading entity in world trade, the Community put this economic advantage to use in its external policies of which preferential tariff arrangements were one of the main implementing instruments. From being the exception, these arrangements had, in many cases, become the rule, and they played an important part in the Community's external policies and in dealing by traders. The Commission's Communication proposes a detailed analysis of the discrepancies of preferential tariff arrangements and put forward proposals aimed at reforming the conditions of application. The European Parliament was greatly concerned by two essential characteristics of this problem: the fight against fraud and the Community's external policy on development. The European Commission considered that the problem was a global one, but pointed out that the players in preferential tariff arrangements - Community traders, customs authorities of the Member States, as well as producers and exporters in third countries - were often responsible for such a situation, as well as being victims thereof. In fact, the discrepancies were numerous and they were becoming worse. Preferential treatment could be obtained by using the wrong tariff classification for goods, by giving a false indication of the customs value and, as was becoming more common, by the traders concerned not abiding by the rules of origin. No category of products was untouched by such discrepancies. For the provision of the answers, the Commission stated that it would be necessary, amongst other things: - to settle previous cases on the basis of the ruler existing at the time that the facts had been established, in conformity with the legal precedent setting out that faith in the certificate of origin was not normally protected, but constituted a 'normal commercial risk'; - to restore confidence in the arrangements, particularly by making sure that the Member States, first and foremost responsible in the application thereof, attained this in a uniform and harmonized manner; - to make all of the players in the arrangements aware of their responsibilities, in their mutual interest, so that they assumed their obligations on this question and to put them in a position to do so; - to legislate, whenever it became necessary. ?

Preferential tariff arrangements: management

The European Union allows preferential tariff arrangements which are either contractual (stemming from cooperation agreements negotiated with the beneficiary countries, in particular the Lomé Convention and agreements with the Maghreb and Mashreq countries) or autonomous, such as the Generalised System of Preferences (GSP), which is granted unilaterally by the EU. The Commission's annual report for 1996 states that the overall volume of irregularities identified in this period was ECU 1.3bn, or 2% of the Union's total budget. The amount of detected irregularities affecting preferential regimes in 1996 was ECU 220m. The figures are as follows: textile industry (34%), fisheries products (26%), industrial products (26%), agricultural products (8%) and electronic products (6%). In most cases, forged certificates of origin were used to obtain preferences. The report by Jean-Thomas NORDMANN (ELDR, F), which has been adopted by the Committee, argues for an effective system of penalties to act as a deterrent to beneficiary countries and their operators convicted of fraud. This might even involve the withdrawal of preferences. Although it welcomes the introduction of such a system in 1995, the committee points out that so far very little use has been made of the system. It therefore calls for a review of the system's scope and implementing provisions with a view to using it more effectively. In addition, it calls for the rules on origin to be revised and eased, and stresses the need for a new approach to derogations, for regional cumulation to be made generally applicable and for account to be taken of the interests of the least-developed countries.?

Preferential tariff arrangements: management

Adopting the report by Mr Jean-Thomas Nordmann (ELDR, F) on preferential tariff arrangements, Parliament considers that an effective and deterrent system of penalties should be set up for beneficiary countries and their operators convicted of fraud, going as far as the withdrawal of preferences. It welcomes the introduction in 1995 of a system of penalties in the Community's GSP but regrets that it has been too little used and calls for its scope and implementing provisions to be reviewed with a view to making effective use of it. With regard to fraud detection, Parliament considers that Commission delegations in third countries have an important preventive, detection and deterrent role to play, in cooperation with the representatives of the Member States. Parliament calls for the rules on origin to be revised and eased and

stresses the need for a new approach to derogations, to make regional accumulation generally applicable and to take account of the interests of the least-developed countries. Parliament calls on the Commission to make proposals to ensure that liability is fairly apportioned in cases where, as a result of proven irregularities committed by the authorities of the beneficiary countries, EU importers are penalised for making use of preferential tariff arrangements. It also calls on the Commission to take the necessary steps to prevent transshipments of products from countries excluded from the scheme from taking place in the beneficiary countries. ?