Procedure file

NLE - Non-legislative enactments 2016/0328(NLE) Procedure completed EU/Switzerland Agreement: cumulation of origin between the EU, Switzerland, Norway and Turkey in the framework of the generalised system of preferences Subject 6.20.03 Bilateral economic and trade agreements and relations 6.30.01 Generalised scheme of tariff preferences (GSP), rules of origin Geographical area Switzerland

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	INTA International Trade		13/02/2018
		EFDD BEGHIN Tiziana	
		Shadow rapporteur	
		PPE PABRIKS Artis	
		S&D DANTI Nicola	
		ECR STARBATTY Joachim	
		ALDE SCHAAKE Marietje	
		GUE/NGL KOULOGLOU Stelios	
		Verts/ALE HAUTALA Heidi	
Council of the European Union	Council configuration	Meeting	Date
	Agriculture and Fisheries	3642	15/10/2018
European Commission	Commission DG	Commissioner	
	Taxation and Customs Union	MOSCOVICI Pierre	

Key events			
21/10/2016	Preparatory document	COM(2016)0672	
20/04/2017	Legislative proposal published	05882/2017	Summary
11/09/2017	Committee referral announced in Parliament, 1st reading/single reading		
24/04/2018	Vote in committee, 1st reading/single reading		
27/04/2018	Committee report tabled for plenary, 1st reading/single reading	A8-0151/2018	Summary
29/05/2018	Results of vote in Parliament	<u> </u>	
29/05/2018	Decision by Parliament, 1st reading/single reading	T8-0207/2018	Summary
15/10/2018	Act adopted by Council after consultation of Parliament		

Technical information				
Procedure reference	2016/0328(NLE)			
Procedure type	NLE - Non-legislative enactments			
Procedure subtype	Consent by Parliament			
Legal basis	Treaty on the Functioning of the EU TFEU 218-p6; Treaty on the Functioning of the EU TFEU 207			
Other legal basis	Rules of Procedure EP 159			
Stage reached in procedure	Procedure completed			
Committee dossier	INTA/8/08244			

Documentation gateway						
Document attached to the procedure	COM(2016)0671	21/10/2016	EC			
Preparatory document	COM(2016)0672	21/10/2016	EC			
Document attached to the procedure	05803/2017	16/02/2017	CSL			
Legislative proposal	05882/2017	20/04/2017	CSL	Summary		
Committee draft report	PE616.703	13/03/2018	EP			
Committee report tabled for plenary, 1st reading/single reading	A8-0151/2018	27/04/2018	EP	Summary		
Text adopted by Parliament, 1st reading/single reading	T8-0207/2018	29/05/2018	EP	Summary		

Final act

<u>Decision 2019/131</u> OJ L 025 29.01.2019, p. 0001 Summary

2016/0328(NLE) - 20/04/2017 Legislative proposal

PURPOSE: to approve the conclusion of an agreement in the form of an exchange of letters between the European Union and Switzerland on cumulation of origin between the European Union, Switzerland, Norway and Turkey in the framework of the Generalised Preferences of the European Union (GSP).

PROPOSED ACT: Council Decision.

ROLE OF THE EUROPEAN PARLIAMENT: Council may adopt the act only if Parliament has given its consent to the act.

BACKGROUND: under <u>Commission Regulation (EU) 2015/2446</u>, products obtained in Norway, Switzerland or Turkey incorporating materials which have not been wholly obtained there are to be considered as originating in a beneficiary country, provided that such materials have undergone sufficient working or processing within the meaning of Article 45 of that Delegated Regulation (so-called 'cumulation' system).

The cumulation system shall apply provided that Switzerland reciprocally grants the same treatment to products originating in the beneficiary countries which incorporate materials originating in the Union.

In the case of Switzerland, the cumulation system was originally put in place by means of an agreement in the form of an exchange of letters between the Union and Switzerland. That exchange of letters took place on 14 December 2000, following the approval of the Council by Decision 2001/101/EC.

In order to ensure the application of a concept of origin corresponding to that set out in the rules of origin in the Unions Generalised System of Preferences (GSP), Switzerland has amended its GSP rules of origin. Therefore, the agreement in the form of an exchange of letters between the Union and Switzerland must be revised.

The rules of origin in the GSP were reformed in 2010. They provide for the implementation of a new system for the establishment of proofs of origin by registered exporters, which will apply from 1 January 2017.

In order to anticipate the application of that new system and the rules, on 8 March 2012 the Council authorised the Commission to negotiate an agreement with Switzerland, in the form of an exchange of letters, on the mutual acceptance of replacement certificates of origin Form A or replacement statements of origin.

The negotiations resulted in an agreement in the form of an exchange of letters between the European Union and Switzerland which should be approved.

CONTENT: the draft decision seeks the approval, on behalf of the Union, of the Agreement in the form of an exchange of letters between the European Union and Switzerland on the cumulation of origin between the European Union, Switzerland, Norway and Turkey in the framework of the Generalised System of Preferences of the European Union.

Under the agreement, certain products with content of Norwegian, Swiss or Turkish origin are to be treated on their arrival on the customs territory of the Union as products with content of Union origin.

2016/0328(NLE) - 27/04/2018 Committee report tabled for plenary, 1st reading/single reading

The Committee on International Trade adopted the report by Tiziana BEGHIN (EFD, IT) on the draft Council decision on the conclusion of an Agreement in the form of an Exchange of Letters between the European Union and the Swiss Confederation on the cumulation of origin between the European Union, the Swiss Confederation, the Kingdom of Norway and the Republic of Turkey in the framework of the Generalised System of Preferences.

The committee recommended that the European Parliament give its consent to the conclusion of the agreement.

As set out in the explanatory memorandum accompanying the recommendation, the present agreement between the EU and Switzerland was negotiated in order to enact the changes brought by the reform of the General System of Preferences (GSP) rules of origin in 2010. The reform introduced a new system of cumulation of origin by registered exporters and provided for inclusion of Turkey in the system of cumulation which so far worked between the Union, Switzerland and Norway.

The new legislation also provided for replacing of the former Certificates of origin of Form A by a new system of establishment of proofs of origin by registered exporters (Registered Exporter (REX) system).

The new system of cumulation entails that the EU, Switzerland, Norway and Turkey will allow GSP beneficiary countries to incorporate materials from any of the countries in the system (EU, Switzerland, Norway or Turkey) in their production processes, and export the final product to the EU, Switzerland, Norway or Turkey under the GSP preferential terms provided that the final product has been sufficiently worked or processed.

Under the present agreement, the EU and Switzerland will give preferential treatment and access to products originating in beneficiary countries when these countries use materials originating respectively in the EU or in Switzerland.

As regards the new system of proofs (REX), the GSP reform states that the former Certificates of origin of Form A were to be replaced by 1 January 2017. The new REX system has started to apply on 1 January 2017 in a certain number of GSP beneficiary countries constituting a first wave. The REX system already works in the framework of the GSP scheme granted by the EU, and the GSP schemes of Switzerland and Norway.

The present agreement is necessary to ensure smooth running of trade between the European Union and Switerland. It will enable the EU and Switzerland to use the new replacement proofs of origin provided for by the new REX system.

2016/0328(NLE) - 29/05/2018 Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 582 votes to 28, with 18 abstentions, a legislative resolution on the draft Council decision on the conclusion of an Agreement in the form of an Exchange of Letters between the European Union and the Swiss Confederation on the cumulation of origin between the European Union, the Swiss Confederation, the Kingdom of Norway and the Republic of Turkey in the framework of the Generalised System of Preferences.

The European Parliament gave its consent to the conclusion of the agreement.

2016/0328(NLE) - 15/10/2018 Final act

PURPOSE: to approve the conclusion of an agreement in the form of an exchange of letters between the European Union and Switzerland on the cumulation of origin between the European Union, Switzerland, Norway and Turkey under the European Union's Generalised System of Preferences (GSP).

NON-LEGISLATIVE ACT: Council Decision (EU) 2019/131 on the conclusion of an Agreement in the form of an Exchange of Letters between the European Union and the Swiss Confederation on the cumulation of origin between the European Union, the Swiss Confederation, the Kingdom of Norway and the Republic of Turkey in the framework of the Generalised System of Preferences.

CONTENT: the Council approved, on behalf of the European Union, the Agreement in the form of an Exchange of Letters between the Union and Switzerland on the cumulation of origin between the European Union, Switzerland, Norway and Turkey within the framework of the GSP.

With this agreement, certain products with content of Norwegian, Swiss or Turkish origin are to be treated on their arrival on the customs territory of the Union as products with content of Union origin. The rules of origin in the GSP of the Union, as reformed in 2010, provide for the implementation of a new system for the establishment of proofs of origin by registered exporters, which is to be applied from 1 January 2017.

In order to anticipate the application of that new system and the rules relating thereto, the Council authorised the Commission to negotiate an

agreement with Switzerland, in the form of an Exchange of Letters, on the mutual acceptance of replacement certificates of origin Form A or replacement statements of origin providing that products with content of Norwegian, Swiss or Turkish origin are to be treated on their arrival on the customs territory of the Union as products with content of Union origin.

ENTRY INTO FORCE: 15.10.2018.