





# Procedure file

Basic information		
CNS - Consultation procedure Decision	<a href="#">2018/0417(CNS)</a>	Procedure completed
Products eligible for exemption from or a reduction in dock dues		
Subject		
2.70.02 Indirect taxation, VAT, excise duties		
4.70.06 Outlying and outermost regions, overseas countries and territories		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	 Regional Development	 <a href="#">MIHAYLOVA Iskra</a> Shadow rapporteur	22/01/2019
		 <a href="#">PONGA Maurice</a>	
Council of the European Union	Council configuration	Meeting	Date
	<a href="#">Agriculture and Fisheries</a>	<a href="#">3686</a>	15/04/2019
European Commission	Commission DG	Commissioner	
	<a href="#">Taxation and Customs Union</a>	MOSCOVICI Pierre	

Key events			
13/12/2018	Legislative proposal published	<a href="#">COM(2018)0825</a>	Summary
30/01/2019	Committee referral announced in Parliament		
20/02/2019	Vote in committee		
28/02/2019	Committee report tabled for plenary, 1st reading/single reading	<a href="#">A8-0112/2019</a>	Summary
27/03/2019	Results of vote in Parliament		
27/03/2019	Decision by Parliament	<a href="#">T8-0297/2019</a>	Summary
15/04/2019	Act adopted by Council after consultation of Parliament		
15/04/2019	End of procedure in Parliament		
26/04/2019	Final act published in Official Journal		

Technical information	
Procedure reference	2018/0417(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Decision
Legal basis	Treaty on the Functioning of the EU TFEU 349-p1sub1-as1
Other legal basis	Rules of Procedure EP 159
Stage reached in procedure	Procedure completed
Committee dossier	REGI/8/15222

Documentation gateway					
Legislative proposal		COM(2018)0825	13/12/2018	EC	Summary
Committee draft report		<a href="#">PE633.050</a>	22/01/2019	EP	
Committee report tabled for plenary, 1st reading/single reading		<a href="#">A8-0112/2019</a>	28/02/2019	EP	Summary
Text adopted by Parliament, 1st reading/single reading		<a href="#">T8-0297/2019</a>	27/03/2019	EP	Summary

Final act	
<a href="#">Decision 2019/664</a> <a href="#">OJ L 112 26.04.2019, p. 0021</a>	Summary

## Products eligible for exemption from or a reduction in dock dues

**PURPOSE:** to allow a greater number of local products to benefit from tax exemptions or reductions in the outermost regions of the EU of Guadeloupe, French Guiana, Martinique and Réunion.

**PROPOSED ACT:** Council Directive.

**ROLE OF THE EUROPEAN PARLIAMENT:** the Council adopts the act after consulting the European Parliament but without being obliged to follow its opinion.

**BACKGROUND:** the dock dues tax is an indirect tax in force only in the French outermost regions of Martinique, Guadeloupe, French Guiana, Réunion and Mayotte.

EU law does not in principle authorise any difference in the French outermost regions between the taxation of local products and the taxation of products from metropolitan France, the other Member States or non-member countries. However, Article 349 TFEU envisages the possibility of introducing specific measures for those regions because of the existence of permanent handicaps affecting the economic and social situation of the outermost regions. Such measures concern various policies, including taxation.

[Council Decision No 940/2014/EU](#) thus authorises France to provide for exemptions or reductions in dock dues for certain products manufactured in the French overseas departments from 1 July 2015 to 31 December 2020.

On 12 February 2018, the French authorities sent the Commission a report on the application of the tax arrangement provided for in that decision. On the basis of the report from the French authorities, the Commission submitted a proposal to adapt that decision.

The proposed measures aim to encourage economic activity and maintain the competitiveness of local products in the French outermost regions. The Commission considers that adapting the list of products to which differentiated taxation may be applied is the only way of ensuring the maintenance and development of local production activities in these outermost regions.

**CONTENT:** The proposal consists of the inclusion of new products on the list in the Annex to Decision No 940/2014/EU and an increase, for certain products, of the authorised tax differential. The planned adaptations concern Martinique, Guadeloupe, French Guiana and Réunion.

The products for which the French authorities requested inclusion or reclassification on lists represent declared local production of EUR 225 million in 2016 and imports roughly equivalent to EUR 212 million. The categories represented by these products are very diverse.

For each of these products, the Commission checked the justification for differentiated taxation and whether it was proportionate by ensuring that differentiated taxation did not undermine the integrity and coherence of the EU legal order, including the internal market and common policies.

With regard to local products occupying almost the entire market so that the share of imported products is very low, the Commission satisfied itself that there was an imminent and grave risk to local production.

In addition to the immediate adaptation of the lists, a comprehensive review of the Decision, applying better regulation tools, will be carried out when the arrangements are renewed. Work on this will start at the beginning of 2019.

## Products eligible for exemption from or a reduction in dock dues

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The Committee on Regional Development adopted, following the consultation procedure, the report by Iskra MIHAYLOVA (ALDE, BG) on the proposal for a Council decision amending Decision No 940/2014/EU as regards products eligible for exemption from or a reduction in dock dues.

The committee recommended that the European Parliament approve the Commission's proposal without amendments.

The purpose of this proposal for amending Council Decision No 940/2014/EU on dock dues in the French outermost regions is to adapt the list of products eligible for a tax differential to reflect the latest changes in local economies since the adoption of the Decision.

The Commission proposes these amendments on the basis of the request submitted by the French authorities on 15 March 2018. This measure is justifiable and intends to continue to stimulate economic activity and competitiveness in the outermost regions, while not undermining the coherence of the internal market and of the EU legal order.

## Products eligible for exemption from or a reduction in dock dues

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The European Parliament adopted by 567 votes to 15 with 87 abstentions, following a special legislative procedure (consultation), a legislative resolution on the proposal for a Council decision amending Decision 940/2014/EU as regards products eligible for exemption from or a reduction in dock dues.

Parliament approved the Commission's proposal without amendments.

The purpose of the proposal to amend Council Decision No 940/2014/EU on dock dues in the French outermost regions is to adapt the list of products eligible for a tax differential, in order to reflect the latest changes in local economies since the adoption of the Decision.

## Products eligible for exemption from or a reduction in dock dues

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**PURPOSE:** to allow a greater number of local products to benefit from tax exemptions or reductions in the outermost regions of the EU of Guadeloupe, French Guiana, Martinique and Réunion.

**LEGISLATIVE ACT:** Council Decision (EU) 2019/664 amending Decision No 940/2014/EU as regards products eligible for exemption from or a reduction in dock dues.

**CONTENT:** the purpose of this Decision amending [Council Decision No 940/2014/EU](#) on dock dues in the French outermost regions is to adapt the list of products eligible for a tax differential to reflect the latest changes in local economies since the Decision was adopted.

The objective of the dock dues tax system is to compensate for the handicaps suffered by these territories (remoteness, dependence on raw materials and energy, small market size and underdeveloped export activity), to support their socio-economic development and to restore competitiveness to local companies by offsetting part of the additional production costs incurred by local production in the French outermost regions.

The amendments are adopted on the basis of the request submitted by the French authorities on 15 March 2018. The products for which the French authorities requested inclusion or reclassification on lists represent declared local production of EUR 225 million in 2016 and imports roughly equivalent to EUR 212 million. The categories represented by these products are very diverse.

The proposed measure aims to encourage economic activity and maintain the competitiveness of local products in the French outermost regions, while not undermining the coherence of the internal market and the legal order of the European Union.

**ENTRY INTO FORCE:** 29.4.2019.