

Procedure file

Basic information		
CNS - Consultation procedure Decision	2020/0174(CNS)	Procedure completed
Dock dues in the French outermost regions: period of application Amending Decision 2014/940 2014/0308(CNS)		
Subject 2.70.02 Indirect taxation, VAT, excise duties 4.70.06 Outlying and outermost regions, overseas countries and territories		
Geographical area Martinique France Mayotte Guadeloupe French Guiana Réunion		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	 Regional Development	 OMARJEE Younous	13/08/2020
		Shadow rapporteur	
		 MEBAREK Nora	
		 BIJOUX Stéphane	
		 ROOSE Caroline	
Council of the European Union			

Key events			
11/08/2020	Legislative proposal published	COM(2020)0371	Summary
07/09/2020	Vote in committee		
14/09/2020	Committee referral announced in Parliament		
18/09/2020	Committee report tabled for plenary, 1st reading/single reading	A9-0159/2020	
06/10/2020	Decision by Parliament	T9-0247/2020	Summary
01/12/2020	Act adopted by Council after consultation		

	of Parliament		
01/12/2020	Final act published in Official Journal		

Technical information

Procedure reference	2020/0174(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Decision
	Amending Decision 2014/940 2014/0308(CNS)
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/9/03993

Documentation gateway

Legislative proposal	COM(2020)0371	11/08/2020	EC	Summary
Committee draft report	PE655.930	26/08/2020	EP	
Committee report tabled for plenary, 1st reading/single reading	A9-0159/2020	18/09/2020	EP	
Text adopted by Parliament, 1st reading/single reading	T9-0247/2020	06/10/2020	EP	Summary

Final act

[Decision 2020/1793](#)
[OJ L 402 01.12.2020, p. 0021](#)

Dock dues in the French outermost regions: period of application

PURPOSE: to extend by six months the arrangements concerning the dock dues in the French outermost regions.

PROPOSED ACT: Council Decision.

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. In principle, it applies in the same way to locally produced products and to imported products.

However, Council Decision No 940/2014/EU authorises France to apply, until 31 December 2020, exemptions or reductions to dock dues in respect of certain locally produced products. The difference between the taxation of locally produced products and that of other products may not exceed 10, 20 or 30 percentage points, depending on the product.

France is of the view that the competitive disadvantages suffered by the French outermost regions persist, and has submitted a request to the Commission for a system of differentiated taxation similar to the current system to be maintained beyond 1 January 2021, until 31 December 2027.

The crisis caused by the COVID-19 pandemic has seriously delayed the work carried out by the French authorities to collect all the necessary information to examine the lists of products for which France wishes to apply differentiated taxation.

In order to allow for the completion of the work currently in progress and to give the Commission time to present a balanced proposal, respecting the various interests at stake, an additional six months is therefore necessary.

CONTENT: the Commission proposes to amend Council Decision 940/2014/EU to extend the current applicable regime from 31 December 2020 to 30 June 2021 in order to allow for the completion of a comprehensive product-by-product analysis to be carried out of the request to authorise the application of differentiated taxation to offset the competitive disadvantages suffered by local production.

The proposed measure aims to promote and maintain certain local production which is particularly at risk and thus to promote employment in the French outermost regions. It shall help to mitigate the additional costs faced by companies in the outermost regions, which impede their full participation in the Single Market.

Dock dues in the French outermost regions: period of application

The European Parliament adopted by 680 votes to 5, with 4 abstentions, (following a special legislative procedure - consultation), a legislative resolution on the proposal for a Council decision amending the period of application of Decision No 940/2014/EU concerning the dock dues in the French outermost region.

Parliament approved the Commission's proposal without amendment.

Dock dues are a tax which applies to imports, irrespective of their origin, and to sales in the French outermost regions. In view of the higher costs of production inherent in local production in those regions, Council Decision No 940/2014/EU provides for reduced rates of dock dues for certain locally produced goods in the outermost regions in order to offset the competitive disadvantage and maintain local production.

The French authorities intend to apply for a renewal of the dock dues exemption for the period 2021-2027, but this requires an impact assessment for each category of goods in each outermost region, to ensure that the goods in question qualify and that the internal market is not distorted. In view of the Coronavirus epidemic, which has hit certain outermost regions particularly hard, it has not been possible to carry out all these assessments.

The Commission therefore proposed that the current system, which expires on 31 December 2020, shall be extended by six months (from 31 December 2020 to 30 June 2021) in order to allow sufficient time to design a new system of tax exemptions for each region.

Once the relevant assessments have been carried out by the French authorities and reviewed by the Commission, the Commission shall submit a proposal for a new exemption system from dock dues for the period from 1 July 2021 to 31 December 2027, on which Parliament shall again be consulted.