



Brussels, 24.8.2016
COM(2016) 523 final

2016/0252 (NLE)

Proposal for a

COUNCIL DECISION

on the conclusion of an agreement between the European Union and Iceland on the protection of geographical indications for agricultural products and foodstuffs

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

• **Reasons for and objectives of the proposal**

The EU and Iceland are signatories to the Agreement on the European Economic Area (EEA Agreement) which provides for the free movement of goods, with the exception of agricultural and fisheries products. Article 19 of the EEA Agreement contains provisions on trade in agricultural products. The 2007 EU-Iceland bilateral Agreement on trade preferences negotiated on the basis of Article 19 of the EEA Agreement includes among others a commitment by the Parties to promote trade in products with geographical indications (GIs).

The EU-Iceland GIs negotiations were conducted from 4 July 2012 to 17 September 2015. The negotiations were carried out in conjunction with the EU-Iceland negotiations on further liberalisation of trade in agricultural and processed agricultural products. Under the negotiated GIs Agreement, 1 150 EU foodstuff GIs will be protected in Iceland. Iceland has not yet registered any protected GI names. The Agreement provides, however, a mechanism for updating the GIs list and for including new GI names at a later stage through a Joint Committee process.

The GIs Agreement will enter into force on the first day of the month following the date on which the Parties have notified each other that their respective internal adoption procedures have been completed. If this date is before the date of the entry into force of the Agreement in the form of an exchange of letters between the EU and Iceland concerning additional trade preferences in agricultural products reached on the basis of Article 19 of the EEA Agreement, done at Brussels on ... day of ... in the year ..., the GIs Agreement will only enter into force on the same date as the latter.

• **Consistency with existing policy provisions in the policy area**

The EEA Agreement already provides for the mutual recognition and protection of geographical indications for wines, aromatised wine products and spirit drinks. Therefore the scope of this Agreement covers only agricultural products and foodstuffs other than wines, aromatised wine products and spirit drinks.

• **Consistency with other EU policies**

The conclusion of the GIs Agreement with Iceland fits into the overall EU strategy of promoting the production and the consumption of EU products with GIs. Under this Agreement, 1 150 EU foodstuff GIs will obtain a high level of direct protection in Iceland. The GIs will be protected against:

- any direct or indirect commercial use;
- any misuse, imitation or evocation of the product;
- any other false or misleading indication as to the provenance, origin, nature or essential qualities of the product;
- any other practice liable to mislead the consumer as to the true origin of the product.

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

In June 2007 the Council gave the Commission a mandate to launch negotiations with Iceland on the protection of products with geographical indications.

3. BUDGETARY IMPLICATIONS

The Agreement will have no direct impact on the EU budget.

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular the first subparagraph of Article 207(4), in conjunction with point (a)(v) of Article 218(6) and Article 218(7) thereof,

Having regard to the proposal from the European Commission,

Having regard to the consent of the European Parliament,

Whereas:

- (1) In accordance with Council Decision (EU) 2016/...¹ the Agreement between the European Union and Iceland on the protection of geographical indications for agricultural products and foodstuffs ('the Agreement') was signed by the Commission on [...], subject to its conclusion at a later date.
- (2) The Parties agree to promote between each other the harmonious development of geographical indications as defined in Article 22(1) of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)² and to foster trade in agricultural products and foodstuffs with geographical indications originating in the Parties' territories.
- (3) Under the negotiated Agreement, geographical indications of Union agricultural products and foodstuffs will be protected in Iceland whereas Iceland has not yet registered any protected geographical indications. The Agreement provides, however, for a mechanism for updating the geographical indications list and for including new geographical indications at a later stage through a Joint Committee process.
- (4) Certain tasks for the implementation of the Agreement have been assigned to the Joint Committee set up pursuant to Article 10 thereof, including the power to amend certain technical aspects of the Agreement as well as certain Annexes thereto. The procedure for establishing the European Union's position in that Joint Committee on matters relating to the Agreement should be defined.
- (5) The Agreement should be approved on behalf of the European Union,

¹ Council Decision (EU) 2016/... on the signing, on behalf of the European Union, of an agreement between the European Union and Iceland on the protection of geographical indications of agricultural products and foodstuffs (OJ [...], [...], p.[...]).

² Annex 1C of the Marrakesh Agreement Establishing the World Trade Organization, signed in Marrakesh, Morocco on 15 April 1994

HAS ADOPTED THIS DECISION:

Article 1

The Agreement between the European Union and Iceland on the protection of geographical indications for agricultural products and foodstuffs is hereby approved on behalf of the European Union.

The text of the Agreement is attached to this Decision.

Article 2

The President of the Council shall designate the person empowered to proceed, on behalf of the European Union, to the notification provided for in Article 11 of the Agreement, in order to express the consent of the European Union to be bound by the Agreement.

Article 3

The Commission shall represent the European Union in the Joint Committee set up pursuant to Article 10 of the Agreement (the 'Joint Committee').

Amendments to the Agreement through decisions of the Joint Committee shall be approved by the Commission on behalf of the European Union. If interested parties cannot reach agreement following objections to a geographical indication, the Commission shall adopt a position in accordance with the procedure laid down in Article 57(2) of Regulation (EU) No 1151/2012 of the European Parliament and of the Council³.

Article 4

This Decision shall enter into force on [...]

³ Regulation (EU) No 1151/2012 of the European Parliament and of the Council of 21 November 2012 on quality schemes for agricultural products and foodstuffs (OJ L 343, 14.12.2012, p. 1).

Done at Brussels,

*For the Council
The President*