



2016/0328(NLE)

28.2.2018

DRAFT RECOMMENDATION

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 (05882/2017 – C8-0241/2017 – 2016/0328(NLE))

Committee on International Trade

Rapporteur: Tiziana Beghin

Symbols for procedures

- * Consultation procedure
- *** Consent procedure
- ***I Ordinary legislative procedure (first reading)
- ***II Ordinary legislative procedure (second reading)
- ***III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

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DRAFT EUROPEAN PARLIAMENT 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
(05882/2017 – C8-0241/2017 – 2016/0328(NLE))**

(Consent)

The European Parliament,

- having regard to the draft Council decision (05882/2017),
 - having regard to the 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, Switzerland, Norway and Turkey in the framework of the Generalised System of Preferences of the European Union (05803/2017),
 - having regard to the request for consent submitted by the Council in accordance with Article 207(4) and Article 218(6), second subparagraph, point (a)(v) of the Treaty on the Functioning of the European Union (C8-0241/2017),
 - having regard to Rule 99(1) and (4) and Rule 108(7) of its Rules of Procedure,
 - having regard to the recommendation of the Committee on International Trade (A8-0000/2018),
1. Gives its consent to the conclusion of the agreement;
 2. Instructs its President to forward its position to the Council, the Commission and the governments and parliaments of the Member States and of the Swiss Confederation.

EXPLANATORY STATEMENT

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 system of cumulation was initially put in place under the agreement in the form of exchange of letters between the Union and Switzerland of 14 December 2000 (Council Decision 2001/101/EC). This agreement has to be substituted by a new one. On 8 March 2012, the Council authorised the Commission to conduct negotiations with Switzerland, which have resulted in the present Agreement.

The system of cumulation of origin: The new system of cumulation entails that the EU, Norway, Switzerland and Turkey will allow GSP beneficiary countries to incorporate materials from any of the countries in the system (EU, Switzerland, Norway, 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.

The new system of proofs: 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. Two more such waves are planned in 2018 and 2019. These countries have registered their exporters, who are now making out statements on origin instead of using certificates of origin Form A issued by their customs authorities.

The REX system already works in the framework of the GSP scheme granted by the EU, and the GSP schemes of Switzerland and Norway. When the replacement of proofs of origin is done for re-consigning goods originating in GSP beneficiary countries, the replacement certificates of Form A are currently being used as replacement proofs (under the provisions of the current agreement between the EU, Switzerland and Norway). In order for the cumulation system to apply to Norway and Turkey, the parties have to conclude and apply similar agreements with Norway and Turkey. A similar agreement between the EU and Norway was negotiated and concluded in parallel to the present Agreement, and is submitted to the consent of Parliament. Between the EU and Turkey, an international agreement is not needed, as the EU-Turkey Customs Union provides the legal tool to integrate similar rules in its legislation.

The Present Agreement is necessary to ensure smooth running of trade between the European Union and Switzerland. It will enable the EU and Switzerland to use the new replacement proofs of origin provided for by the new REX system. The system is already applicable, therefore the lack of the appropriate legal tool could disrupt trade between the EU and Switzerland. Your Rapporteur therefore recommends the Parliament to grant consent to this Agreement.

