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*Plenary sitting*

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**A9-0138/2021**

23.4.2021

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## **REPORT**

on the proposal for a Council decision concerning the dock dues scheme in the French outermost regions and amending Decision No 940/2014/EU (COM(2021)0095 – C9-0105/2021 – 2021/0051(CNS))

Committee on Regional Development

Rapporteur: Younous Omarjee

(Simplified procedure – Rule 52(1) of the Rules of Procedure)

### ***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.)

### ***Amendments to a draft act***

#### **Amendments by Parliament set out in two columns**

Deletions are indicated in ***bold italics*** in the left-hand column. Replacements are indicated in ***bold italics*** in both columns. New text is indicated in ***bold italics*** in the right-hand column.

The first and second lines of the header of each amendment identify the relevant part of the draft act under consideration. If an amendment pertains to an existing act that the draft act is seeking to amend, the amendment heading includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend.

#### **Amendments by Parliament in the form of a consolidated text**

New text is highlighted in ***bold italics***. Deletions are indicated using either the **■** symbol or ~~strikeout~~. Replacements are indicated by highlighting the new text in ***bold italics*** and by deleting or striking out the text that has been replaced.

By way of exception, purely technical changes made by the drafting departments in preparing the final text are not highlighted.

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## DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

**on the proposal for a Council decision concerning the dock dues scheme in the French outermost regions and amending Decision No 940/2014/EU (COM(2021)0095 – C9-0105/2021 – 2021/0051(CNS))**

**(Special legislative procedure – consultation)**

*The European Parliament,*

- having regard to the Commission proposal to the Council (COM(2021)0095),
  - having regard to Article 349 of the Treaty on the Functioning of the European Union , pursuant to which the Council consulted Parliament (C9-0105/2021),
  - having regard to Rule 82 of its Rules of Procedure,
  - having regard to the report of the Committee on Regional Development (A9-0138/2021),
1. Approves the Commission proposal;
  2. Calls on the Council to notify Parliament if it intends to depart from the text approved by Parliament;
  3. Asks the Council to consult Parliament again if it intends to substantially amend the text approved by Parliament;
  4. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

## EXPLANATORY STATEMENT

### A. Legal background

The Treaty on the Functioning of the European Union (TFEU) applies to the outermost regions of the Union. The TFEU, in particular Article 110, 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 provides for the possibility of introducing specific measures for such regions because of permanent constraints affecting their economic and social situation. Such measures concern various policies, including taxation.

### B. The docks due tax exemption scheme in the French outermost regions

Council Decision No 940/2014/EU of 17 December 2014<sup>1</sup> authorised France to apply, until 31 December 2020, exemptions or reductions to dock dues - an indirect tax in force only in the French outermost regions applying to imports of products, irrespective of their origin -, given that significant importation of goods could jeopardise the local production and additional costs increase the cost price of this local production in comparison with products produced elsewhere.

The purpose of these tax differentials was therefore to offset the competitive disadvantages affecting the outermost regions in order to maintain local production.

On 1 March 2019 the French authorities asked the Commission to extend the dock dues scheme beyond 31 December 2020.

In order to give the French authorities the opportunity to collect all the necessary information - an operation which had been delayed due to the COVID-19 public health crisis - and to give the Commission time to present a balanced proposal taking account of the various interests at stake, Council Decision (EU) 2020/1793 of 16 November 2020<sup>2</sup> extended the application of Council Decision No 940/2014/EU by six months, to 30 June 2021 instead of 31 December 2020. The European Parliament adopted its position on this Council Decision on 18 September 2020 under the simplified procedure<sup>3</sup> provided for by Rule 52 (1) of the Rules of Procedure.

### C. Objective and content of the present proposal

The present proposal now establishes the legal framework for dock dues applicable after 30 June 2021 by providing new derogation arrangements for the period from 1 January 2022 to 31 December 2027, including a revision of the current provisions to make the scheme more flexible and transparent. In parallel, it extends Decision No 940/2014/EU by six months, until

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<sup>1</sup> Council Decision No 940/2014/EU of 17 December 2014 concerning the dock dues in the French outermost regions (OJ L 367, 23.12.2014, p. 1).

<sup>2</sup> Council Decision (EU) 2020/1793 of 16 November 2020 amending the period of application of Decision No 940/2014/EU concerning the dock dues in the French outermost regions (OJ L 402, 1.12.2020, p. 21–22).

<sup>3</sup> P9\_TA(2020)0247

31 December 2021, to give France time to transpose the new arrangements applicable between 1 January 2022 and 31 December 2027 into its national law.

#### **D. Procedure in REGI**

In their meeting on 6 July 2020, the coordinators agreed that the technical legislative proposals relating to tax derogations in the outermost regions for 2021-2027 should be dealt with under the simplified procedure with no amendments (Rule 52(1)), with the Chair as rapporteur. It was also agreed that the Chair should circulate a draft report for adoption at the first committee meeting after receipt of each draft decision from the Council. This decision was endorsed by the full committee on 16 July 2020.

#### **E. Assessment of the rapporteur**

Your rapporteur considers that the proposed prolongation of the derogation scheme from taxation rules, which fully complies with Article 349, is justified by the economic difficulties inherent in production in the outermost regions and by the necessity to offset the competitive disadvantages affecting the outermost regions in order to maintain local production. He therefore suggests that the proposed decision be approved by Parliament without amendment, under the simplified procedure set out in Rule 52(1) of the Rules of Procedure.

## PROCEDURE – COMMITTEE RESPONSIBLE

<b>Title</b>	Dock dues scheme in the French outermost regions and amending Decision No 940/2014/EU
<b>References</b>	COM(2021)0095 – C9-0105/2021 – 2021/0051(CNS)
<b>Date of consulting Parliament</b>	18.3.2021
<b>Committee responsible</b> Date announced in plenary	REGI 24.3.2021
<b>Rapporteurs</b> Date appointed	Younous Omarjee 16.3.2021
<b>Simplified procedure - date of decision</b>	16.3.2021
<b>Date adopted</b>	22.4.2021
<b>Date tabled</b>	23.4.2021