



EUROPEAN UNION

THE EUROPEAN PARLIAMENT

THE COUNCIL

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LEGISLATIVE ACTS AND OTHER INSTRUMENTS

Subject: REGULATION OF THE EUROPEAN PARLIAMENT AND OF
THE COUNCIL amending Regulation (EC) No 1905/2006 establishing a
financing instrument for development cooperation

Joint text approved by the Conciliation Committee provided for in Article 294(10)
of the Treaty on the Functioning of the European Union

**REGULATION (EU) No .../2011
OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

of

**amending Regulation (EC) No 1905/2006
establishing a financing instrument for development cooperation**

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 209(1) thereof,

Having regard to the proposal from the European Commission,

Acting in accordance with the ordinary legislative procedure, in the light of the joint text approved by the Conciliation Committee on 31 October 2011¹,

¹ Position of the European Parliament of 21 October 2010 (not yet published in the Official Journal) and position of the Council at first reading of 10 December 2010 (OJ C 7 E, 12.1.2011, p. 11). Position of the European Parliament of 3 February 2011 (not yet published in the Official Journal). Legislative resolution of the European Parliament of ... [(OJ ...)] [(not yet published in the Official Journal)] and decision of the Council of ...

Whereas:

- (1) A new framework for planning and delivering assistance was established in 2006 in order to make the Community's external assistance more effective and transparent. It contains Council Regulation (EC) No 1085/2006 of 17 July 2006 establishing an Instrument for Pre-Accession Assistance (IPA)¹, Regulation (EC) No 1638/2006 of the European Parliament and of the Council of 24 October 2006 laying down general provisions establishing a European Neighbourhood and Partnership Instrument², Council Regulation (EC) No 1934/2006 of 21 December 2006 establishing a financing instrument for cooperation with industrialised and other high-income countries and territories³, Regulation (EC) No 1717/2006 of the European Parliament and of the Council of 15 November 2006 establishing an Instrument for Stability⁴, Council Regulation (Euratom) No 300/2007 of 19 February 2007 establishing an Instrument for Nuclear Safety Cooperation⁵, Regulation (EC) No 1889/2006 of the European Parliament and of the Council of 20 December 2006 establishing a financing instrument for the promotion of democracy and human rights worldwide⁶, and Regulation (EC) No 1905/2006 of the European Parliament and of the Council⁷.

¹ OJ L 210, 31.7.2006, p. 82.
² OJ L 310, 9.11.2006, p. 1.
³ OJ L 405, 30.12.2006, p. 41.
⁴ OJ L 327, 24.11.2006, p. 1.
⁵ OJ L 81, 22.3.2007, p. 1.
⁶ OJ L 386, 29.12.2006, p. 1.
⁷ OJ L 378, 27.12.2006, p. 41.

- (2) In implementing Regulation (EC) No 1905/2006, inconsistencies have emerged regarding exceptions to the principle of non-eligibility for Union financing of costs related to taxes, duties and other charges. It is therefore proposed to amend the relevant provisions of that Regulation in order to align it with the other instruments.
- (3) This Regulation does not go beyond what is necessary in order to achieve the objective pursued, in accordance with Article 5(4) of the Treaty on European Union.
- (4) Regulation (EC) No 1905/2006 should therefore be amended accordingly,

HAVE ADOPTED THIS REGULATION:

Article 1

Regulation (EC) No 1905/2006 is hereby amended as follows:

Article 25(2) is replaced by the following:

"2. Union assistance shall not in principle be used for paying taxes, duties or charges in beneficiary countries."

Article 2

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at ...,

For the European Parliament
The President

For the Council
The President
