



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 18.11.2004
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Proposal for a

COUNCIL REGULATION

**amending Regulation (EC) No 866/2004 on a regime
under Article 2 of Protocol 10 to the Act of Accession
as regards agriculture and traveller allowances**

(presented by the Commission)

EXPLANATORY MEMORANDUM

By Regulation No 866/2004, the Council established a regime under Article 2 of Protocol 10 to the Act of Accession 2003 which provides for special rules concerning goods, services and persons crossing the line between those areas of the Republic of Cyprus in which the Government of the Republic of Cyprus does not exercise effective control and those areas in which the Government of the Republic of Cyprus exercises effective control.

In consideration of the experience gained since this Regulation entered into force a number of rules should be relaxed and the commerce in certain goods facilitated. The proposed amendment provides for a procedure which would allow certain goods, which are subject to export refunds or intervention measures and therefore currently excluded from the special regime set up in the Line Regulation, to receive privileged treatment following a decision by the relevant management committee under the common agricultural policy. Secondly, the proposed amendment provides for a specific procedure for allowing movement of live animals and animal products across the green line. Thirdly, the proposed amendment increases the value and quantitative levels for traveller's allowances.

The proposed amendments will further facilitate trade across the green line and will contribute to the integration of the island.

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**amending Regulation (EC) No 866/2004 on a regime
under Article 2 of Protocol 10 to the Act of Accession
as regards agriculture and traveller allowances**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to Protocol 10 on Cyprus to the Act concerning the conditions of accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Poland, the Republic of Slovenia and the Slovak Republic and the adjustments to the Treaties on which the European Union is founded¹, and in particular Article 2 thereof,

Having regard to Protocol 3 on the Sovereign Base Areas of the United Kingdom of Great Britain and Northern Ireland in Cyprus² of the said Act of Accession, and in particular Article 6 thereof,

Having regard to the proposal from the Commission³,

Whereas:

- (1) Council Regulation (EC) No 866/2004⁴ lays down special rules concerning goods, services and persons crossing the line between the areas in which the Government of the Republic of Cyprus does not exercise effective control and those areas in which the Government of the Republic of Cyprus exercises effective control.
- (2) In the light of the experience gained since that Regulation entered into force, a number of rules concerning travellers should be relaxed and the trade in certain agricultural goods facilitated.
- (3) Regulation (EC) No 866/2004 should therefore be amended accordingly,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EC) No 866/2004 is amended as follows:

¹ OJ L 236, 23.9.2003, p. 955.

² OJ L 236, 23.9.2003, p. 940.

³ OJ C , , p. .

⁴ OJ L 206, 9.6.2004, p. 51.

(1) Article 4 is amended as follows:

(a) Paragraph 2) is replaced by the following:

‘2. These goods shall not be subject to a customs declaration. They shall not be subject to customs duties or charges having equivalent effect, unless they are eligible for export refunds or intervention measures.

By way of derogation from the first subparagraph, the Commission may, in accordance with the relevant management committee procedure established under the common agriculture policy, determine privileged conditions and arrangements for access of products eligible for export refunds or intervention measures.

In order to ensure effective controls, the quantities crossing the line shall be registered.’

(b) Paragraph 9) is replaced by the following:

‘9. The movement across the line of live animals and animal products which are subject to Community veterinary requirements shall be prohibited. This prohibition may be lifted by Commission decisions laying down the conditions applicable for trade adopted in accordance with the procedure referred to in Article 58(2) of Regulation (EC) No 178/2002 of the European Parliament and of the Council*.

*OJ L 31, 1.2.2002, p. 1.’

(2) Article 6 is replaced by the following:

‘Article 6

1. Council Directive 69/169/EEC* shall not apply, but goods contained in the personal luggage of persons crossing the line shall be exempt from turnover tax and excise duty provided they have no commercial character and their total value does not exceed EUR 175 per person.
2. The quantitative limits for exemptions from turnover tax and excise duty shall be 200 cigarettes and 1 litre of spirits.
3. Exemptions for the goods mentioned in paragraph 2 shall not be granted to persons crossing the line under 17 years of age.
4. Within the quantitative limits set out in paragraph 2 and taking account of the restrictions in paragraph 3, the value of the goods listed in paragraph 2 shall not be taken into consideration in determining the exemption referred to in paragraph 1.

*OJ L 133, 4.6.1969, p. 6.’

Article 2

This Regulation shall enter into force on the third 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 Brussels,

*For the Council
The President*