



2024/2966

28.11.2024

COUNCIL DECISION (EU) 2024/2966

of 21 November 2024

on the position to be adopted on behalf of the European Union within the Joint Committee established by the Agreement between European Economic Community and the Republic of Iceland, with regard to a decision concerning the amendment of Protocol 3 to that Agreement as regards permeability between the Regional Convention on pan-Euro-Mediterranean preferential rules of origin and the Transitional rules of origin

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 207(4), first subparagraph, in conjunction with Article 218(9) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) The Agreement between the European Economic Community and the Republic of Iceland (the 'Agreement') was concluded by the Union by Council Regulation (EEC) No 2842/72 ⁽¹⁾ and entered into force on 1 April 1973.
- (2) Pursuant to Article 30 of the Agreement, the Joint Committee established under that Article (the 'Joint Committee') may take decisions within the scope of the Agreement. Pursuant to Article 4 of Protocol 3 to the Agreement, the Joint Committee may decide to amend the provisions of that Protocol.
- (3) At its next meeting, the Joint Committee is to take a decision on an amendment of Protocol 3 to the Agreement.
- (4) It is appropriate to establish the position to be adopted on the Union's behalf within the Joint Committee as the decision of the Joint Committee will have legal effects.
- (5) The Regional Convention on pan-Euro-Mediterranean preferential rules of origin (the 'Convention') was concluded by the Union by Council Decision 2013/94/EU ⁽²⁾ and entered into force in relation to the Union on 1 May 2012. By Decision (EU) 2019/2198 ⁽³⁾, the Council supported the amendment of the Convention providing for a new set of modernised and more flexible rules of origin (the 'amendment of the Convention'). The amendment of the Convention will enter into force on 1 January 2025.
- (6) At the technical meeting held in Brussels on 5 February 2020, the majority of the Contracting Parties to the Convention agreed to implement an alternative set rules of origin, based on the amendment of the Convention on a transitional, bilateral basis (the 'Transitional rules'). The Transitional rules apply in parallel with the rules of the Convention, pending the entry into force of the amendment of the Convention.
- (7) The application of the Transitional rules ensures the adaptation of the trade flows and customs practices pending the entry into force of the amendment of the Convention.

⁽¹⁾ Council Regulation (EEC) No 2842/72 of 19 December 1972 concluding an Agreement between the European Economic Community and the Republic of Iceland and adopting provisions for its implementation (OJ L 301, 31.12.1972, p. 1).

⁽²⁾ Council Decision 2013/94/EU of 26 March 2012 on the conclusion of the Regional Convention on pan-Euro-Mediterranean preferential rules of origin (OJ L 54, 26.2.2013, p. 3).

⁽³⁾ Council Decision (EU) 2019/2198 of 25 November 2019 on the position to be taken on behalf of the European Union within the Joint Committee established by the Regional Convention on pan-Euro-Mediterranean preferential rules of origin as regards the amendment of the Convention (OJ L 339, 30.12.2019, p. 1).

(8) Since 1 September 2021, a number of bilateral protocols on rules of origin among several Contracting Parties to the Convention (⁽⁴⁾) have entered into force, rendering the Transitional rules applicable. As regards the Republic of Iceland ('Iceland'), Protocol 3 to the Agreement was replaced by a new Protocol 3 by Decision No 1/2021 of the EU-Iceland Joint Committee (⁽⁵⁾). The Transitional rules are set out in Appendix A to that new Protocol 3.

(9) The objective of the Transitional rules is to provide for less strict rules, making it easier for goods to qualify for preferential originating status. As the Transitional rules are, in general, less strict than those of the Convention, goods fulfilling the rules of origin set out in the Convention could also qualify as originating under the Transitional rules, with the exception of certain agricultural products classified under Chapters 2, 4 to 15 and 16 (except for processed fishery products) and Chapters 17 to 24 of the Harmonized Commodity Description and Coding System. The Transitional rules are applicable in parallel with the rules of origin set out in the Convention, thus creating two distinct zones of cumulation of origin. In that context, it can happen that goods fall under both sets of rules of origin simultaneously. According to the principle of permeability under Article 21(1), point (d), of Appendix A to Protocol 3 to the Agreement ('permeability'), goods which have acquired originating status under one set of rules of origin can be also considered as originating under the other set of rules of origin. In order to facilitate the application of permeability between the Convention and the Transitional rules, Article 8 of Appendix A to Protocol 3 to the Agreement should be amended.

(10) The position of the Union within the Joint Committee should therefore be based on the attached draft decision,

HAS ADOPTED THIS DECISION:

Article 1

The position to be adopted on the Union's behalf within the Joint Committee established by the Agreement between European Economic Community and the Republic of Iceland (the 'Agreement') at its next meeting, with regard to a decision concerning the amendment of Protocol 3 to the Agreement as regards permeability between the Regional Convention on pan-Euro-Mediterranean preferential rules of origin on the one hand and the Transitional rules of origin included in Appendix A to Protocol 3 to the Agreement on the other hand, shall be based on the draft decision of the Joint Committee attached to this Decision.

Article 2

This Decision shall enter into force on the date of its adoption and shall expire on 31 December 2025.

Done at Brussels, 21 November 2024.

For the Council
The President
SZIJJÁRTÓ P.

⁽⁴⁾ The European Union, Iceland, the Swiss Confederation (including Liechtenstein), the kingdom of Norway, the Faroe Islands, the State of Israel, the Hashemite Kingdom of Jordan, Palestine (this designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual positions of the Member States on this issue), the Republic of Albania, Bosnia and Herzegovina, Kosovo (this designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence), the Republic of North Macedonia, the Republic of Serbia, Montenegro, Georgia, the Republic of Moldova and Ukraine.

⁽⁵⁾ Decision No 1/2021 of the EU-Iceland Joint Committee of 16 July 2021 amending the Agreement between the European Economic Community and the Republic of Iceland by replacing Protocol No 3 thereto concerning the definition of the concept of 'originating products' and methods of administrative cooperation [2021/1857] (OJ L 381, 27.10.2021, p. 1).