

COMMISSION IMPLEMENTING REGULATION (EU) 2018/28**of 9 January 2018****re-imposing a definitive anti-dumping duty on imports of bicycles whether declared as originating in Sri Lanka or not from City Cycle Industries**

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2016/1036 of the European Parliament and of the Council of 8 June 2016 on protection against dumped imports from countries not members of the European Union ⁽¹⁾ ('the basic Regulation'), and in particular Article 13 thereof,

Whereas:

A. MEASURES IN FORCE AND JUDGMENTS OF THE COURTS**1. Measures in force**

- (1) In 2011, by Implementing Regulation (EU) No 990/2011 ⁽²⁾, the Council imposed definitive anti-dumping duty on imports of bicycles originating in the People's Republic of China ('the original measures') following an expiry review under Article 11(2) of the basic Regulation.
- (2) In 2013, by Implementing Regulation (EU) No 501/2013 ⁽³⁾ ('the contested Regulation'), the Council extended the original measures to imports of bicycles consigned from Indonesia, Malaysia, Sri Lanka and Tunisia, whether declared as originating in Indonesia, Malaysia, Sri Lanka and Tunisia or not ('the anti-circumvention measures' or 'the extended measures') following an anti-circumvention investigation under Article 13 of the basic Regulation.

2. Judgments of the General Court of the European Union and the Court of Justice of the European Union

- (3) On 9 August 2013, a Sri Lankan producer, City Cycle Industries ('City Cycle') lodged an application at the General Court of the European Union ('the General Court') seeking the annulment of the contested Regulation in so far as it applies to this producer ⁽⁴⁾. In its judgment of 19 March 2015 ⁽⁵⁾, the General Court annulled the contested Regulation to the extent that it applies to City Cycle.
- (4) In July 2015 the Council of the European Union ⁽⁶⁾, European Commission ⁽⁷⁾ and Maxcom Ltd ⁽⁸⁾ (a Union manufacturer of bicycle), appealed the General Court's judgment. By its judgment of 26 January 2017 ('the judgment'), the Court of Justice of the European Union ('the Court of Justice') dismissed the appeals submitted by the Union industry, the European Commission and the Council of the European Union.
- (5) In particular, the Court of Justice found, in paragraph 73 of its judgment, that recital (78) of the contested Regulation did not contain an individual analysis of circumvention practices in which City Cycle may have been engaged. The Court of Justice also found in paragraphs 75 and 76, that the conclusion as to the existence of

⁽¹⁾ OJ L 176, 30.6.2016, p. 21.

⁽²⁾ Council Implementing Regulation (EU) No 990/2011 of 3 October 2011 imposing a definitive anti-dumping duty on imports of bicycles originating in the People's Republic of China following an expiry review pursuant to Article 11(2) of Regulation (EC) No 1225/2009 (OJ L 261, 6.10.2011, p. 2).

⁽³⁾ Council Implementing Regulation (EU) No 501/2013 of 29 May 2013 extending the definitive anti-dumping duty imposed by Implementing Regulation (EU) No 990/2011 on imports of bicycles originating in the People's Republic of China to imports of bicycles consigned from Indonesia, Malaysia, Sri Lanka and Tunisia, whether declared as originating in Indonesia, Malaysia, Sri Lanka and Tunisia or not (OJ L 153, 5.6.2013, p. 1).

⁽⁴⁾ Case T-413/13 City Cycle Industries v Council.

⁽⁵⁾ OJ C 146, 4.5.2015, p. 38.

⁽⁶⁾ Case C-260/15 P Council v City Cycle Industries.

⁽⁷⁾ Case C-254/15 P Commission v City Cycle Industries.

⁽⁸⁾ Case C-248/15 P Maxcom v City Cycle Industries.

transshipment operations in Sri Lanka could not legally be based only on the two findings expressly made by the Council, that is, first, that there had been a change in the pattern of trade and, second, that some of the producer-exporters had failed to cooperate ⁽¹⁾.

3. Consequences of the judgment

- (6) In line with Article 266 of the Treaty of the Functioning of the European Union, the Union institutions need to take the necessary steps to comply with the judgment of 26 January 2017.
- (7) In cases where a proceeding consists of several administrative steps, the annulment of one of those steps does not annul the complete proceeding ⁽²⁾. The anti-dumping proceeding is an example of such a multi-step proceeding. Consequently, the annulment of the contested Regulation in relation to one party does not imply the annulment of the entire procedure prior to the adoption of that Regulation. The EU institutions have the possibility to remedy the aspects of the contested Regulation which led to its annulment, while leaving unchanged the uncontested parts which are not affected by the Court judgment ⁽³⁾.

B. PROCEDURE

1. Procedure until the judgment

- (8) The Commission confirms recitals (1) to (23) of the contested Regulation. They are not affected by the judgment.

2. Reopening

- (9) Following the judgment, on 11 April 2017 the Commission published a Notice ⁽⁴⁾ partially reopening the anti-circumvention investigation concerning imports of bicycles consigned from Sri Lanka, whether declared as originating in Sri Lanka or not that led to the adoption of the contested Regulation ('the Notice of re-opening') and resumed it at the point at which the irregularity occurred. The reopening was limited in scope to the implementation of the judgment with regard to City Cycle.
- (10) The Commission informed City Cycle, the representatives of the exporting country, the Union industry and other interested parties known to be concerned from the original investigation of the partial reopening of the investigation. Interested parties were given the opportunity to make their views known in writing and to request a hearing within the time-limit set out in the notice.
- (11) All interested parties who so requested were granted the opportunity to be heard by the Commission services and/or the Hearing officer in trade proceedings. Nobody requested a hearing either with the Commission services or the Hearing officer in trade proceedings.

3. Registration of imports

- (12) Following the judgment, the European Bicycle Manufacturers Association and Maxcom Ltd requested that imports of bicycles in so far as it concerns City Cycle are made subject to registration under Article 14(5) of the basic Regulation so that measures may subsequently be applied on those imports from the date of such registration.

⁽¹⁾ In its judgment of the same day in Joined Cases C-247/15 P, C-253/15 P and C-259/15 P, the Court of Justice annulled the judgment of the General Court of 19 March 2015 in Case T-412/13 *Chin Haur Indonesia PT v Council of the European Union* (3), and dismissed the action for annulment brought by Chin Haur against Regulation (EU) No 501/2013. In that case, the Court of Justice found, in paragraph 98 of its judgment, that the Council had sufficiently explained its evidence concerning the existence of circumventing practices in Indonesia.

⁽²⁾ Case T-2/95 *Industrie des poudres sphériques (IPS) v Council* [1998] ECR II-3939.

⁽³⁾ Case C-458/98 P *Industrie des poudres sphériques (IPS) v Council* [2000] ECR I-08147.

⁽⁴⁾ Notice concerning the judgment of the General Court of 19 March 2015 in Case T-413/13 *City Cycle Industries v Council of the European Union* and the judgment of the Court of Justice of 26 January 2017 in Cases C-248/15 P, C-254/15 P and C-260/15 P in relation to Council Implementing Regulation (EU) No 501/2013 extending the definitive anti-dumping duty imposed by Implementing Regulation (EU) No 990/2011 on imports of bicycles originating in the People's Republic of China to imports of bicycles consigned from Indonesia, Malaysia, Sri Lanka and Tunisia, whether declared as originating in Indonesia, Malaysia, Sri Lanka and Tunisia or not (2017/C 113/05) (OJ C 113, 11.4.2017, p. 4).

- (13) On 11 April 2017, the Commission made imports of bicycles consigned from Sri Lanka, whether declared as originating in Sri Lanka or not, in so far as it concerns the Sri Lankan company City Cycle Industries subject to registration ('Registration Regulation')⁽¹⁾.

4. Product under investigation

- (14) The product under investigation is the same as in the contested Regulation that is bicycles and other cycles (including delivery tricycles, but excluding unicycles), not motorised, originating in the People's Republic of China ('China' or 'PRC'), currently falling within CN codes ex 8712 00 30 and ex 8712 00 70. The Commission confirms recitals (25) to (27) of the contested Regulation.

C. ASSESSMENT FOLLOWING THE JUDGMENT

1. Preliminary remarks

- (15) First, the Court of Justice held that the contested Regulation did not contain an individual analysis of circumvention practices in which City Cycle may have been engaged. The two findings expressly made by the Council, that there had been a change in the pattern of trade and that some of the producer-exporters had failed to cooperate were found by the Court of Justice not to be sufficient to entitle the Council to conclude either that City Cycle was involved in transshipment operations or that transshipment operations existed at national level in Sri Lanka.
- (16) Second, it is recognised in paragraphs 29 and 31 of the judgment that the evidence communicated by City Cycle during the investigation did not show that it was a genuine producer or that its assembly operations did not constitute circumvention practice according to the criteria laid down in Article 13(2) of the basic Regulation. Recitals (124) to (127) of the contested Regulation are therefore confirmed.
- (17) Third, it follows from the judgment, in conjunction with the judgment of the General Court, that the Council was entitled to consider City Cycle as a non-cooperating party in the investigation and that there was a certain level of non-cooperation at national level in Sri Lanka. Recitals (35) to (42) of the contested Regulation are therefore confirmed.

2. Undermining of the remedial effect of the anti-dumping duty

- (18) The Commission had found, in recitals (93) to (96) of the contested Regulation, undermining of the remedial effect of the anti-dumping duty. Those findings are confirmed.

3. Evidence of dumping

- (19) The Commission had found, in recitals (97) and (98) as well as (107) to (110) of the contested Regulation, evidence of dumping. Those findings are confirmed.

4. Existence of circumvention practices

- (20) The contested Regulation has been annulled because the Council failed to provide, in the contested Regulation, sufficient substantiation as to the existence of circumventing practices for City Cycle Industries. It is recalled that the existence of circumvention practices can be established, inter alia, on the basis of transshipment or on the basis of assembly operations.
- (21) The reopened investigation revealed that there was no further available evidence at company level which could support the finding of transshipment. Therefore, no further reasoning regarding transshipment could be put forward under recital (78) of the contested Regulation.

⁽¹⁾ Commission Implementing Regulation (EU) 2017/678 of 10 April 2017 making imports of bicycles consigned from Sri Lanka, whether declared as originating in Sri Lanka or not, in so far as it concerns the Sri Lankan company City Cycle Industries, subject to registration, (OJ L 98, 11.4.2017, p. 7).

- (22) However, available evidence shows that circumvention practices via assembly operations took place. The evidence was based on the data submitted by City Cycle itself during the original investigation. The Council had not assessed that data in detail, because it considered that that was not necessary in order to demonstrate, to the required legal standard, existence of circumvention practices. Now that the Court has clarified the applicable legal standard, the Commission considers it appropriate to reassess all the evidence available in the administrative file in the light of the applicable legal standard.
- (23) During the anti-circumvention investigation City Cycle came forward and requested exemption from the possible anti-circumvention measures. As described in recitals (37), (38) and (144) of the contested Regulation, City Cycle was unable to prove that it merited an exemption. The company afforded insufficient cooperation and Article 18(1) of the basic Regulation was applied. The lack of reliable information as regards the value and volume of parts of Chinese origin purchased by the company made it impossible to positively establish that City Cycle was a genuine producer not involved in circumvention or that its assembly operations were not a form of circumvention. As explained in recitals (16) and (17) above, these findings were not affected by the judgment.
- (24) In any event, however, the data submitted by the company itself demonstrate that:
- (1) the raw materials (bicycle parts) from China constituted more than 60 % of the total value of the parts of the assembled product (60/40 test), while
 - (2) the value added to the parts brought in during the assembly operation, was lower than 25 % of the manufacturing cost (25 % value added test).
- (25) According to the criteria of Article 13(2)(a) and (b) of the basic Regulation, this means that such assembly operations should be considered to constitute circumvention practice given the fulfilment of the other criteria as described in recitals (18) and (19) above.
- (26) Consequently, the existence of circumvention practices via assembly operations should be established at country level in Sri Lanka on the basis of the above evidence available at the company level that tends to show circumvention practices and given the high level of non-cooperation in Sri Lanka.
- (27) Consequently, the existence of assembly operations within the meaning of Article 13(2) of the basic Regulation was established in Sri Lanka.
- (28) After disclosure, City Cycle contested the competence of the Commission to adopt findings on the existence of assembly operations within the meaning of Article 13(2) of the basic Regulation. It argued that the Commission could not reassess the finding on the assembly operation because it had not been challenged in the court proceedings and that the Commission was therefore obliged to abandon the pursuit of measures against City Cycle.
- (29) This argument should be rejected. First, it results from the judgments of the Court of Justice cited in recitals (4) and (5) that the condition for imposing anti-circumvention measures relates to the existence of circumventing practices as defined in Article 13(1) of the basic Regulation, and not to a specific subset of these practices. Second, City Cycle interprets incorrectly the obligation imposed on the Commission by Article 266 of the Treaty on the Functioning of the European Union ("TFEU") in the present case. As made clear in recital (6) of the Notice of re-opening, it is the lack of sufficient reasoning in the contested Regulation concerning the available evidence on the existence of circumventing practices in Sri Lanka that must be corrected in the current procedure. The Commission is therefore competent for readopting a measure with an improved reasoning making clear that City Cycle is engaged in circumventing practices in Sri Lanka, which is fully in line with the case-law of the Court of Justice. In any event, the contested Regulation has been annulled in its totality. Hence, none of its recitals has become definitive. Rather, the Commission needs to assess afresh all aspects of the file. Where no new developments have taken place in the Court proceedings, the Commission may limit itself to confirming the findings of the initial investigation. For the contested part, in the present case circumvention practices, a fresh assessment has to take place.
- (30) After disclosure, City Cycle also contested the competence of the Commission to rely on the evidence that it had submitted in the course of the investigation that led to the imposition of anti-circumvention measures mentioned in recital (2) and to arrive at a different conclusion.

- (31) This argument should also be rejected. The Commission is indeed entitled to assess differently the evidence already provided, to the extent that such a new assessment is in line with Article 13 of the basic Regulation as interpreted by the Union Courts, and that City Cycle had full opportunities to comment on this new assessment. As explained in the following recitals, City Cycle has been fully granted its right to submit comments on the Commission's assessment. However, the comments provided by City Cycle did not alter the Commission's finding that it was engaged in circumventing practices.
- (32) After the additional disclosure, City Cycle continued to disagree with the Commission's approach to reassess the evidence available in the administrative file. It claimed that following the court judgment, the Commission was allowed to correct only the findings of transshipment and not on assembly operations.
- (33) This claim should be rejected. In the present regulation the Commission is correcting the findings of circumvention practices which, as stated in recital (20), can be established, inter alia, on the basis of transshipment or on the basis of assembly operations. In the contested Regulation, the Commission has not assessed whether City Cycle was involved in assembly operations as it concluded that it was involved in the transshipment operations. After the clarifications provided by the court as explained in recital (22), the Commission has reassessed whether City Cycle was involved in circumvention practices. The Commission conclusion was as follows: firstly, as stated in recital (21) no further available evidence at company level which could support the finding of transshipment was identified; secondly, as explained in recitals (23) and (24), City Cycle was conclusively found to be involved in circumvention via assembly operations based on an assessment of its own data provided in the course of the investigation.
- (34) After disclosure, City Cycle further commented on the calculation methodology used by the Commission in carrying out the 60/40 and 25 % value added tests pursuant to Article 13(2)(b) of the basic Regulation. Firstly, City Cycle argued that the Commission based its calculation on insufficient data, i.e. merely on semi-finished products purchased during the reporting period of the anti-circumvention investigation. Secondly, it argued that the Commission disregarded certain data and therefore wrongly rejected the allocation ratio based on sales, as suggested by City Cycle. Finally, City Cycle submitted that certain invoices dated outside the reporting period and/or invoices that were reported without date or with an incorrect format should be disregarded from the calculations. These claims have been reiterated after the additional disclosure without providing any additional elements in this regard.
- (35) Concerning the methodology, it is clarified that the 60/40 test was carried out not only based on the data provided on semi-finished products in table F.2 of the exemption form but also on the reported manufacturing costs of the bicycle parts claimed to be manufactured by City Cycle. Furthermore, the 25 % value added test was carried out on the cost of processing from semi-finished goods, meaning the assembly cost for bicycles in table F.4.2 of the exemption form. Moreover, since City Cycle did not provide a split of bicycle parts sourced from the PRC and the ones not sourced from the PRC in table F.4.2 as requested, the Commission took this data from table F.2.
- (36) Concerning the comment regarding the use of the allocation method, the Commission notes that the data obtained based on this methodology could not be reconciled with the audited accounts. During the on-spot verification this inconsistency was highlighted to City Cycle. City Cycle did not use any accounting software, and accounting was made on paper and in excel worksheets. The company had no system in place to monitor the origin of the imported parts, and it could only be identified whether specific parts were sourced locally or imported. In addition, the company acknowledged that it did not keep track in its accounts of the origin of the parts purchased. Therefore, in order to report data according to origin as requested in the exemption form, City Cycle used an allocation key based on sales of bicycles. However, the allocation method applied by City Cycle could not be reconciled with the audited accounts and the company itself admitted that the figures provided in this regard were wrong. Therefore, the arguments with regard to the use of the allocation method were rejected and therefore also the data provided based on this methodology as it was found to contradict the audited accounts and the Commission used instead the necessary data provided in other tables of the exemption form.
- (37) Finally, regarding the invoices mentioned in recital (34), the Commission found the request reasonable and disregard them for the calculation of 60/40 and 25 % value added tests. It was established that this had no impact on the result, i.e. the raw materials (bicycle parts) from China still constituted more than 60 % of the total value of the parts of the assembled product, while the value added to the parts brought in during the assembly operation, was still lower than 25 % of the manufacturing cost.

- (38) After the additional disclosure, City Cycle claim that the Commission did not take into account that fact that City Cycle has historically been a producer of bicycles from Sri Lanka's domestic market and is operating under the control of Sri Lanka's customs administration. This claim is rejected as it is irrelevant for the purpose of this assessment as the analysis is carried out pursuant to Article 13 of the basic Regulation.
- (39) Consequently, all the claims related to the methodology used by the Commission in carrying out the 60/40 and 25 % value added tests pursuant to Article 13(2)(b) of the basic Regulation were rejected.

5. Exemption request

- (40) Due to the company's insufficient cooperation and inability to demonstrate that it did not circumvent the measures on the basis of its own data, the exemption request of City Cycle under Article 13(4) of the basic Regulation could not be considered warranted.

6. Comments of interested parties

- (41) The Commission received submissions from City Cycle and the Union industry.
- (42) City Cycle claimed that the Commission could not change its findings regarding assembly operations as the contested Regulation found that the existence of assembly operations was not established in Sri Lanka and this point was not challenged before the courts. This claim was reiterated after disclosure. For the reasons explained above, this claim should be rejected.
- (43) It is noted that the company's own data, communicated by the company itself, and its shortcomings in particular, made it impossible to positively establish that City Cycle was a genuine producer or that its assembly operations did not constitute circumvention practice. As a result, the company could not be exempted from the anti-circumvention duties. The company's own data, however, demonstrated that the raw materials (bicycle parts) from China constituted more than 60 % of the total value of the parts of the assembled product, while the value added to the parts brought in during the assembly operation, was lower than 25 % of the manufacturing cost. In the context of high level of non-cooperation, this evidence could be taken to show the existence of circumvention practices in the country.
- (44) City Cycle also claimed that the Commission could not reopen the investigation with a notice with a view to readopting a final Regulation or amending the contested Regulation as Article 13(3) of the basic Regulation provides that the Commission can only initiate an anti-circumvention investigation through a Commission Regulation. Furthermore, it claimed that the fact that the Commission considers that the complete proceeding has not been annulled by the courts does not dispense it from adopting a formal Regulation.
- (45) This claim was reiterated after disclosure. In particular, City Cycle claimed that the reopening of the anti-circumvention investigation through a Notice would limit its rights to an effective judicial protection. This argument was rejected, as the Notice is simply a preparatory act and City Cycle can exercise its rights to an effective judicial protection against this regulation.
- (46) It should also be noted that the Commission did not initiate a new investigation, but merely re-opened the investigation that led to the adoption of the anti-circumvention measures in order to correct the irregularities identified by the Court of Justice in its judgment in the context of that investigation.
- (47) Furthermore, City Cycle claimed that the registration of imports of its bicycles is based on an error of fact and flawed reasoning as the assembly practices of City Cycle were not confirmed in the contested Regulation. Therefore, it claimed that the conditions for adopting the Registration Regulation were not met.
- (48) However, as explained in recital (24) above, the reopening of the investigation confirmed that evidence at company level relating to the period of the investigation that led to the extension of the measures in 2013 demonstrated the existence of circumvention practices already. In addition, in light of the specific nature of the anti-circumvention instrument, which is designed to protect the effectiveness of the anti-dumping instrument, the registration of imports is a standard means to enhance such effectiveness. Therefore, City Cycle's claim that the conditions for adopting the Registration Regulation were not met was rejected.

- (49) Moreover, City Cycle asked the Commission to repeal the anti-circumvention duties imposed on Sri Lankan imports of bicycles, including those of City Cycle.
- (50) In this regard it should be noted that City Cycle did not specify on which legal basis the Commission should repeal the anti-circumvention measures on Sri Lankan imports of bicycles. As stated in recitals (3) and (4), the judgement did not annul the contested Regulation as a whole, but only as concerns City Cycle. Therefore, this request was rejected.
- (51) After disclosure, City Cycle claimed that the re-extension of the original measures to City Cycle from the date of registration was unwarranted and that the Commission cannot impose duties beyond the duration of the initial measures, which expires five years from the adoption of the contested Regulation that is on May 28, 2018. This claim was reiterated after the additional disclosure.
- (52) Under the consistent case-law of the Court of Justice, the sole purpose of a regulation extending an anti-dumping duty is to ensure the effectiveness of that duty and to prevent its circumvention. Consequently, a measure extending a definitive anti-dumping duty is merely ancillary to the initial act establishing that duty which protects the effective application of the definitive measures.
- (53) Anti-dumping measures were extended, inter alia, to City Cycle's exports from Sri Lanka to the Union market following an anti-circumvention investigation of the measures imposed on imports of bicycles originating in the PRC pursuant to Article 13 of the basic Regulation as stated in recital (2) of this Regulation. Consequently, the anti-circumvention measures imposed by the contested Regulation will remain in force as long as the original measures on imports of bicycles from the PRC are in force. Therefore, the claim that the Commission cannot impose measures on City Cycle's export from Sri Lanka to the Union beyond 28 May 2018 is rejected as it is based on a misinterpretation of Article 13 of the basic Regulation.
- (54) In addition, after the additional disclosure City Cycle claimed that the Commission cannot indefinitely prolong circumvention duties without a fresh re-examination of the exporters' circumvention practices, while the dumping practices of the Chinese exporters are reassessed every five years.
- (55) This claim should be rejected as it is based on a misunderstanding of Articles 11 and 13 of the basic Regulation. The Commission reassess the anti-dumping measures in force following a request lodged by the Union industry. In the absence of such a request, the anti-dumping measures in force expire at the end of the five years term. In addition, as explained in recital (53), the anti-circumvention measures remain in force as long as the original measures are in force. However, the anti-circumvention measures in place can also be re-assessed following a request from the companies subject to anti-circumvention measures.

D. DISCLOSURE

- (56) The parties were informed of the essential facts and considerations on the basis of which it was intended to re-impose definitive anti-dumping duty on imports of bicycles whether declared as originating in Sri Lanka or not from City Cycle. They were also granted a period within which they could make representations subsequent to this disclosure.
- (57) The written arguments submitted by the parties were considered and, where appropriate, were taken into account.

E. IMPOSITION OF MEASURES

- (58) On the basis of the above, it is considered appropriate to re-extend the original measures to imports of bicycles and other cycles (including delivery tricycles, but excluding unicycles), not motorised, consigned from Sri Lanka whether declared as originating in Sri Lanka or not, currently falling within CN codes ex 8712 00 30 and ex 8712 00 70 (TARIC codes 8712 00 30 10 and 8712 00 70 91) from City Cycle Industries.
- (59) In light of the specific nature of the anti-circumvention instrument, which is designed to protect the effectiveness of the anti-dumping instrument, and in view of the fact that the investigation has revealed evidence that points to the existence of the circumventing practices based on the company's own reported data, the Commission considers it appropriate to re-impose measures as from the date of the registration.
- (60) This Regulation is in accordance with the opinion of the Committee established by Article 15(1) of Regulation (EU) 2016/1036.

HAS ADOPTED THIS REGULATION:

Article 1

1. A definitive anti-dumping duty imposed on imports of bicycles and other cycles (including delivery tricycles, but excluding unicycles), not motorised, originating in the People's Republic of China, is hereby extended to imports of bicycles and other cycles (including delivery tricycles, but excluding unicycles), not motorised, consigned from Sri Lanka whether declared as originating in Sri Lanka or not, currently falling within CN codes ex 8712 00 30 and ex 8712 00 70 (TARIC codes 8712 00 30 10 and 8712 00 70 91) from City Cycle Industries (TARIC additional code B131).

2. The duty imposed by paragraph 1 of this Article shall be collected on imports consigned from Sri Lanka, whether declared as originating in Sri Lanka or not, registered in accordance with Article 1 of Implementing Regulation (EU) 2017/678.

Article 2

Customs authorities are hereby directed to discontinue the registration of imports, established in accordance with Article 1 of Implementing Regulation (EU) 2017/678.

Article 3

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 Brussels, 9 January 2018.

For the Commission
The President
Jean-Claude JUNCKER
