



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 30.12.2002
COM(2002) 777 final

2002/0307 (ACC)

Proposal for a

COUNCIL DECISION

**concerning the conclusion of an Agreement in the form of an Exchange of Letters
between the European Community and the Republic of Vietnam amending the
Memorandum of Understanding between the European Community and the Socialist
Republic of Vietnam on the prevention of fraud in trade in footwear products**

(presented by the Commission)

EXPLANATORY MEMORANDUM

In accordance with the Council negotiating directives of 2002, the Commission has negotiated the renewal of the Memorandum of Understanding provisionally, applied since 1 of January 2000, establishing a double-checking system covering the imports into the European Community of certain footwear products originating in the Socialist Republic of Vietnam.

Given the possible deflection of trade of these products from neighbouring countries, in particular from China, which are subject to quantitative restrictions, such a system is designed to give more security over the genuine Vietnamese origin of such goods and be able to better trace back the origin of possible circumvention of such quotas.

It is proposed to prolong the Memorandum of Understanding for two supplementary years until the end of 2004.

In parallel an amendment introduces the possibility to officially accept the electronic transmission of the export licence.

The Council is invited to approve this proposal for a Council Decision on the signing, on behalf of the European Community, of the renewal of the Memorandum of Understanding and authorising its provisional application pending the formal conclusion of that Agreement.

Proposal for a

COUNCIL DECISION

concerning the conclusion of an Agreement in the form of an Exchange of Letters between the European Community and the Republic of Vietnam amending the Memorandum of Understanding between the European Community and the Socialist Republic of Vietnam on the prevention of fraud in trade in footwear products

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 133 thereof, in conjunction with the first sentence of Article 300 (2) thereof,

Having regard to the proposal from the Commission,

Whereas:

- (1) The Commission has negotiated with Vietnam, on behalf of the Community, a bilateral Agreement in the form of an Exchange of Letters, amending the Memorandum of Understanding between the European Community and the Socialist Republic of Vietnam on the prevention of fraud in trade in footwear products initialled on 4 August 1999 and provisionally in force since 1 January 2000;
- (2) The Agreement in the form of an Exchange of Letters should be approved on behalf of the Community;

HAS DECIDED AS FOLLOWS:

Sole Article

The Agreement in the form of an Exchange of Letters between the European Community and Vietnam amending the Memorandum of Understanding on the prevention of fraud in trade in footwear products between the European Community and Vietnam is hereby approved on behalf of the Community.

The text of the Agreement is annexed to this Decision.

Done at Brussels,

*For the Council
The President*

ANNEX

Agreement in the form of an exchange of letters amending the Memorandum of Understanding between the European Community and the Government of the Socialist Republic of Vietnam, applied provisionally since 1 January 2000, on the prevention of fraud in trade in footwear products

Letter No 1

LETTER TO THE GOVERNMENT OF THE SOCIALIST REPUBLIC OF VIETNAM

Sir,

1. I have the honour to refer to the negotiations held between our respective delegations on the 28 November 2002 with a view to amending the Memorandum of Understanding between the European Community and the Socialist Republic of Vietnam on the prevention of fraud in trade in footwear products applied from 1 January 2000.
2. As a result of those negotiations, it was agreed to amend the Agreement as follows:
 - 2.1 Paragraph 3 of Article 3 shall be replaced by the following text:

"Subject to an administrative arrangement to be entered into between the Socialist Republic of Vietnam and the Community, the transmission of this information by electronic means may replace the issuance of export certificates in paper form."
 - 2.2 Paragraph 2 of Article 7 shall be replaced by the following text:

"This Agreement shall apply until 31 December 2004."
3. I should be obliged if you would confirm the agreement of your Government to the contents of this letter.

Please accept, Sir, the assurance of my highest consideration.

For the European Community

Letter No 2

LETTER FROM THE GOVERNMENT OF THE SOCIALIST REPUBLIC OF VIETNAM

Sir,

I have the honour to acknowledge receipt of your letter dated which reads as follows:

1. I have the honour to refer to the negotiations held between our respective delegations on the 28 November 2002 with a view to amending the Memorandum of Understanding between the European Community and the Socialist Republic of Vietnam on the prevention of fraud in trade in footwear products applied from 1 January 2000.
2. As a result of those negotiations, it was agreed to amend the Agreement as follows:
 - 2.1 Paragraph 3 of Article 3 shall be replaced by the following text:

"Subject to an administrative arrangement to be entered into between the Socialist Republic of Vietnam and the Community, the transmission of this information by electronic means may replace the issuance of export certificates in paper form."
 - 2.2 Paragraph 2 of Article 7 shall be replaced by the following text:

"This Agreement shall apply until 31 December 2004."
3. I should be obliged if you would confirm the agreement of your Government to the contents of this letter.

I have the honour to confirm that my Government is in agreement with the contents of this letter.

Please accept, Sir, the assurance of my highest consideration.

For the Government of the Socialist Republic of Vietnam