Article 10

The payments laid down in Articles 8 and 9 of this Protocol shall be made by the Kingdom of Spain and by the Portuguese Republic in their freely transferable national currency.

The amounts payable shall be calculated on the basis of the rate of conversion between the ECU and the peseta and the escudo respectively, obtaining on the last working day of the month preceding the relevant due dates of payment. This formula shall also be used for the capital adjustment provided for in Article 7 of the Protocol on the Statute of the Bank. That adjustment shall also apply to payments already made by the Kingdom of Spain and the Portuguese Republic.

Article 11

1. Upon accession, the Board of Governors shall increase the membership of the Board of Directors by appointing two directors nominated by the Kingdom of Spain and one director nominated by the Portuguese Republic, together with one alternate nominated by common accord of the Kingdom of Spain and the Portuguese Republic.

2. The terms of office of the directors and alternate thus appointed shall expire at the end of the annual meeting of the Board of Governors during which the annual report for the 1987 financial year is examined.

Article 12

1. The Board of Governors, acting on a proposal from the Board of Directors, shall appoint the sixth Vice-President referred to in Article 7 of this Protocol during the three months following accession.

2. The term of office of the Vice-President thus appointed shall expire at the end of the annual meeting of the Board of Governors during which the annual report for the 1987 financial year is examined.

Protocol 2

concerning the Canary Islands and Ceuta and Melilla

Article 1

1. Products originating in the Canary Islands or in Ceuta and Melilla and products coming from third countries imported into the Canary Islands or into Ceuta and Melilla under the arrangements which are applicable there to them shall not be deemed, when released for free circulation in the customs territory of the Community, to be goods fulfilling the conditions of Articles 9 and 10 of the EEC Treaty, nor goods in free circulation under the ECSC Treaty.

2. The customs territory of the Community shall not include the Canary Islands and Ceuta and Melilla.

3. Except where otherwise provided for in this Protocol, the acts of the institutions of the Community regarding customs legislation for foreign trade shall apply under the same conditions to trade between the customs territory of the Community, on the one hand, and the Canary Islands and Ceuta and Melilla, on the other.

4. Except where otherwise provided for in this Protocol, the acts of the institutions of the Community regarding the common commercial policy, be they autonomous or enacted by agreement, directly linked to the import or export of goods, shall not be applicable to the Canary Islands or to Ceuta and Melilla.

5. Except where otherwise provided for in the Act of Accession, including this Protocol, the Community shall apply in its trade with the Canary Islands and with Ceuta and Melilla, for products falling within Annex II to the EEC Treaty, the general arrangements which it applies in its foreign trade.

Article 2

1. Subject to Articles 3 and 4 of this Protocol, products originating in the Canary Islands and in Ceuta and Melilla, shall, when released for free circulation in the customs territory of the Community, qualify for exemption from customs duties under the conditions defined in paragraphs 2 and 3.

2. In that part of Spain which is included in the customs territory of the Community, the exemption from customs duties referred to in paragraph 1 shall be granted as from 1 January 1986.

With regard to the remainder of the customs territory of the Community, customs duties on the import of products originating in the Canary Islands or in Ceuta and Melilla shall be abolished in accordance with the same timetable and under the same conditions as those provided for in Articles 30, 31 and 32 of the Act of Accession.

3. By way of derogation from paragraphs 1 and 2, manufactured tobacco falling within heading No 24.02 of the Common Customs Tariff which is processed in the Canary Islands shall qualify, in the customs territory of the Community, for exemption from customs duties within the limit of tariff quotas.

These quotas shall be opened and allocated by the Council, acting by a qualified majority on a proposal from the Commission, taking as the reference base the average of the three best of the last five years for which statistics are available. The Council shall act in good time so as to provide for the opening and allocation of these quotas on 1 January 1986.

In order to avoid a situation whereby this arrangement results in economic difficulties in one or more Member States because of the reconsignment of manufactured tobacco imported into another Member State, the Commission shall adopt, after consulting the Member States, all methods of administrative co-operation which prove necessary.

Article 3

1. Fishery products falling within heading Nos 03.01, 03.02, 03.03, 16.04, 16.05 and subheadings 05.15 A and 23.01 B of the Common Customs Tariff and originating in the Canary Islands or Ceuta and Melilla, shall, within the limit of tariff quotas calculated by product and on the average quantities actually disposed of during 1982, 1983 and 1984, benefit from the arrangements hereinafter defined, intended respectively for that part of Spain which is included in the customs territory of the Community, on one hand, and for the Community as at present constituted, on the other:

— Where the said products are imported into that part of Spain which is included in the customs territory of the Community, they shall qualify for exemption from customs duties. They may not be deemed to be in free circulation in that part of Spain within the meaning of Article 10 of the EEC Treaty when they are reconsigned to another Member State.

— Where the said products are released for free circulation in the remainder of the customs territory of the Community, they shall qualify for the progressive reduction of customs duties according to the same timeable and under the same conditions as those provided for in Article 173 of the Act of Accession, provided that the reference prices are complied with.

2. As from 1 January 1993 for the fishery products referred to in paragraph 1, and from 1 January 1996 for the sardine preparations and preserved sardines falling within subheading 16.04 D of the Common Customs Tariff, the products concerned shall qualify for exemption from customs duties in the whole of the customs territory of the Community up to the limit of the tariff quotas calculated by product and on the average quantities actually disposed of during 1982, 1983 and 1984 in that part of Spain which is included in the customs territory of the Community or exported to the Community as at present constituted. The release for free circulation for products imported into the customs territory of the Community, under these tariff quotas, shall be subject to compliance with the rules laid down by the common organization of markets and in particular with respect to reference prices.

3. The Council, acting by qualified majority on a proposal from the Commission, shall each year adopt provisions opening and allocating tariff quotas in accordance with the detailed rules laid down in paragraphs 1 and 2. For 1986 the Council shall act in good time so as to provide for the opening and allocation of the quotas by 1 January 1986.

Article 4

1. The agricultural products appearing in Annex A, originating in the Canary Islands, shall, when they are released for free circulation in the customs territory of the Community, qualify under the conditions laid down in this Article, for exemption from customs duties within the limit of tariff quotas calculated on the average quantities actually disposed of during 1982, 1983 and 1984 respectively, intended for that part of Spain which is included in the customs territory of the Community, on the one hand, and for the Community as at present constituted on the other:

(a) until 31 December 1995, for those of the products referred to above falling within Regulation (EEC) No 1035/72 and until 31 December 1992 for the other products referred to, the products in question shall qualify:

  — in that part of Spain which is included in the customs territory of the Community, for an exemption from customs duties, without application, where this arises, of the system of reference prices,

  — in the remainder of the customs territory of the Community, for the same conditions as those adopted for the same products coming from that part of Spain which is included in the customs territory of the Community, as long as the system of reference prices is complied with, where they are applicable;

(b) as from 1 January 1996 for those of the products referred to above falling within Regulation (EEC) No 1035/72 and from 1 January 1993 for the other products referred to, the products in question shall qualify for exemption from customs duties in the whole of the customs territory of the Community as long as the system of reference prices is complied with, where they are applicable.

The Council, acting by a qualified majority on a proposal from the Commission, shall adopt in good time measures so as to provide for the opening and allocation of those quotas by 1 January 1986.

2. (a) By way of derogation from paragraph 1, when bananas falling within subheading 08.01 B of the Common Customs Tariff, originating in the Canary Islands, are released for free circulation in that part of Spain which is included in the customs territory of the Community, they shall qualify for exemption from customs duties. Bananas imported under the abovementioned arrangements may not be deemed to be in free circulation in the said part of Spain within the meaning of Article 10 of the EEC Treaty when they are reconsigned to another Member State.

(b) Until 31 December 1995, the Kingdom of Spain may maintain, for the bananas referred to in (a) which are imported from the other Member States, the quantitative restrictions and measures having equivalent effect which it applied on the import of these products under the previous national arrangements.

Notwithstanding Article 76 (2) of the Act of Accession and until the setting up of a common organization of the market for that product, the Kingdom of Spain may retain, to the extent that is strictly necessary to ensure the maintenance of the national organization, quantitative restrictions on imports of bananas referred to in (a) imported from third countries.

Article 5

1. Where application of the arrangement referred to in Article 2 (2) could lead to a substantial increase in the import of certain products originating in the Canary Islands or in Ceuta and Melilla such as might prejudice Community producers, the Council, acting by qualified majority on a proposal from the Commission, may subject the access of these products to the customs territory of the Community to special conditions.

2. Where, because the Common Commercial Policy and the Common Customs Tariff are not applied to the import of raw materials or intermediate products into the Canary Islands or Ceuta and Melilla, imports of a product originating in the Canary Islands or in Ceuta or Melilla cause, or may cause, serious injury to a producer activity exercised in one or more Member States, the Commission, at the request of a Member State or on its own initiative, may take the appropriate measures.

Article 6

1. On import into the Canary Islands or into Ceuta and Melilla, products originating in the customs territory of the Community shall qualify for exemption from the customs duties and charges having equivalent effect under the conditions defined in paragraphs 2 and 3.

2. The customs duties existing in the Canary Islands and in Ceuta and Melilla and the charge known as the 'arbitrio insular — tarifa general' existing in the Canary Islands shall be abolished progressively, with regard to products originating in the customs territory of the Community, according to the same timeable and under the same conditions as those provided for in Articles 30, 31 and 32 of the Act of Accession.

3. The so-called 'arbitrio insular — tarifa especial' of the Canary Islands shall be abolished with regard to products originating in the customs territory of the Community on 1 March 1986.

However, the said charge may be maintained, on the import of the products listed in Annex B, at a rate corresponding to 90 % of the rate indicated opposite each of the products on the said list and on condition that this reduced rate is applied on a uniform basis to all imports of the products concerned originating in the whole of the customs territory of the Community. The said charge will be abolished by 1 January 1993 at the latest unless the Council, acting by qualified majority on a proposal from the Commission, decides that it should be prolonged on the basis of the trend in the economic situation in the Canary Islands for each of the products concerned.

The said charge may at no time be higher than the level of the Spanish customs tariff as modified with a view to the progressive introduction of the Common Customs Tariff.

Article 7

The customs duties and charges having an effect equivalent to such duties and the trade arrangements applied, on the import to the Canary Islands and to Ceuta and Melilla, of goods coming from a third country may not be less favourable than those applicable by the Community in accordance with its international commitments or its preferential arrangements with regard to such third country, providing that the same third country grants, to imports from the Canary Islands and from Ceuta and Melilla, the same treatment as that which it grants to the Community. However, the arrangements applied to imports into the Canary Islands and into Ceuta and Melilla with regard to goods coming from such third country may not be more favourable than those applied with regard to the imports of products originating in the customs territory of the Community.

Article 8

The arrangements applicable to trade in goods between the Canary Islands, on the one hand, and Ceuta and Melilla, on the other, shall be at least as favourable as those applicable pursuant to Article 6.

Article 9

1. The Council, acting by a qualified majority on a proposal from the Commission, shall, before 1 March 1986, adopt the rules for the application of this Protocol and in particular the rules of origin applicable to trade, as referred to in Articles 2, 3, 4, 6 and 8, including the provisions concerning the identification of originating products and the control of origin.

The rules will include, in particular, provisions on marking and/or labelling of products, on the conditions of registration of vessels, on the application of the rule on mixed origin for fishery products, and also provisions enabling the origin of products to be determined.

2. The following shall remain applicable until 28 February 1986:

— the rules of origin provided for by the 1970 Agreement between the European Economic Community and Spain, to trade between the customs territory of the Community as at present constituted, on the one hand, and the Canary Islands and Ceuta and Melilla, on the other,

— the rules of origin provided for by the national provisions in force as at 31 December 1985, to trade between that part of Spain included in the customs territory of the Community, on the one hand, and the Canary Islands and Ceuta and Melilla, on the other.

ANNEX A

List referred to in Article 4 (1)

CCT heading No	Description
06.01	Bulbs, tubers, tuberous roots, corms, crowns and rhizomes, dormant, in growth or in flower: ex A. Dormant: — Other than hyacinths, narcissi, tulips and gladioli
06.02	Other live plants, including trees, shrubs, bushes, roots, cuttings and slips: A. Unrooted cuttings and slips: II. Other ex D. Other: — Roses (all the species 'Rosa'), neither budded nor grafted: — with stock of a diameter of 10 mm or less — other — other than mycelium (spawn of mushrooms and other edible fungi), rhododendrons (azaleas), vegetable and strawberry plants: — Outdoor plants: — Trees, shrubs, and bushes, other than fruit trees and bushes and forest trees: — Rooted cuttings and young plants — Other — Other: — Perennial plants — Other — Indoor plants: — Rooted cuttings and young plants, excluding cacti — Other than flowering plants with buds or flowers, excluding cacti
06.03	Cut flowers and flower buds of a kind suitable for bouquets or for ornamental purposes, fresh, dried, dyed, bleached, impregnated or otherwise prepared: A. Fresh: I. From 1 June to 31 October: — Roses — Carnations — Orchids — Gladioli — Chrysanthemums — Other II. From 1 November to 31 May: — Roses — Carnations — Orchids — Gladioli — Chrysanthemums — Other
07.01	Vegetables, fresh or chilled; A. Potatoes: II. New potatoes F. Leguminous vegetables, shelled or unshelled: II. Beans (of the species 'Phaseolus')

CCT heading No	Description
07.01 (cont'd)	ex H. Onions, shallots and garlic: — Onions M. Tomatoes P. Cucumbers and gherkins: I. Cucumbers S. Sweet peppers T. Other: II. Aubergines
08.01	Dates, bananas, coconuts, Brazil nuts, cashew nuts, pineapples, avocados, mangoes, guavas and mangosteens, fresh or dried, shelled or not: D. Avocados

ANNEX B

List referred to in Article 6 (3)

CCT heading No	Description	Rate (%)
02.01	Meat and edible offals of the animal falling within heading No 01.01, 01.02, 01.03 or 01.04, fresh, chilled or frozen:	
	A. Meat:	
	II. Of bovine animals:	
	a) Fresh or chilled	20
	III. Of swine:	
	a) Of domestic swine:	
	ex 1. Carcases or half-carcases:	
	— Fresh or chilled	20
	ex 2. Legs and parts thereof:	
	— Fresh or chilled	20
	ex 3. Fore-ends or shoulders; parts thereof:	
	— Fresh or chilled	20
	ex 4. Loins and parts thereof:	
	— Fresh or chilled	20
	ex 5. Bellies and parts thereof:	
	— Fresh or chilled	20
	ex 6. Other:	
	bb) Other:	
	— Fresh or chilled	20
	ex b) Other:	
	— Fresh or chilled	20
04.01	Milk and cream, fresh, not concentrated or sweetened:	
	A. Of a fat content, by weight, not exceeding 6 %:	
	I. Yoghourt, kephir, curdled milk, whey, buttermilk and other fermented or acidified milk:	
	ex a) In immediate packings of a net capacity of two litres or less:	
	— Yoghourt	12,5
04.05	Birds' eggs and egg yolks, fresh, dried or otherwise preserved, sweetened or not:	
	A. Eggs in shell, fresh or preserved:	
	I. Poultry eggs:	
	ex b) Other:	
	— Of hens	9
09.01	Coffee, whether or not roasted or freed of caffeine; coffee husks and skins; coffee substitutes containing coffee in any proportion:	
	A. Coffee:	
	II. Roasted:	
	a) Not freed of caffeine	19
19.03	Macaroni, spaghetti and similar products:	
	B. Other	12
20.02	Vegetables prepared or preserved otherwise than by vinegar or acetic acid:	
	ex C. Tomatoes:	
	— Tomato concentrate, with a dry matter content of more than 30 % by weight, in hermetically sealed containers	10

CCT heading No	Description	Rate (%)
21.04	Sauces; mixed condiments and mixed seasonings:	
	B. Sauces with a basis of tomato purée	9
21.07	Food preparations not elsewhere specified or included:	
	D. Prepared yoghourt; prepared milk in powder form, for use as infants' food or for dietetic or culinary purposes:	
	I. Prepared yoghourt:	
	b) Other	12,5
22.09	Spirits (other than those of heading No 22.08); liqueurs and other spirituous beverages; compound alcoholic preparations (known as 'concentrated extracts') for the manufacture of beverages:	
	C. Spirituous beverages:	
	I. Rum, arrack and tafia, in containers holding:	
	ex a) Two litres or less:	
	— Rum	39,1 Ptas/litre
	ex b) More than two litres:	
	— Rum	39,1 Ptas/litre
39.02	Polymerization and copolymerization products (for example, polyethylene, polytetrahaloethylenes, polyisobutylene, polystyrene, polyvinyl chloride, polyvinyl acetate, polyvinyl chloroacetate and other polyvinyl derivatives, polyacrylic and polymethacrylic derivatives, coumarone-indene resins):	
	C. Other:	
	ex IV. Polypropylene:	
	— In strips, of a width exceeding 0,1 mm	10,5
	VII. Polyvinyl chloride:	
	ex b) In other forms:	
	— In tubes	10,5
39.07	Articles of materials of the kinds described in heading Nos 39.01 to 39.06:	
	B. Other:	
	V. Of other materials:	
	ex d) Other:	
	— Plates with a diameter of between 17 and 21 cm and 'glasses' of polystyrene	15
	— Bags, sachets and similar articles, of polyethylene	10,5
	— Containers other than carboys, bottles and jars of polystyrene	15
	— Tube and pipe fittings, and finished pipes of polyvinyl chloride	10,5
42.02	Travel goods (for example, trunks, suit-cases, hat-boxes, travelling-bags, rucksacks), shopping-bags, handbags, satchels, brief-cases, wallets, purses, toilet-cases, tool-cases, tobacco-pouches, sheaths, cases, boxes (for example, for arms, musical instruments, binoculars, jewellery, bottles, collars, footwear, brushes) and similar containers, of leather or of composition leather, of vulcanized fibre, of artificial plastic sheeting, of paperboard or of textile fabric:	
	ex A. Of artificial plastic sheeting:	
	— Bags of polyethylene sheeting	10,5

CCT heading No	Description	Rate (%)
48.05	Paper and paperboard, corrugated (with or without flat surface sheets), creped, crinkled, embossed or perforated, in rolls or sheets:	
	A. Paper and paperboard, corrugated	14
	ex B. Other:	
	— Creped household paper of a weight per m² of 15 g or more and less than 50 g	12,5
ex 48.14	Writing blocks, envelopes, letter cards, plain postcards, correspondence cards; boxes, pouches, wallets and writing compendiums, of paper or paperboard, containing only an assortment of paper stationery:	
	— Writing blocks	15
48.15	Other paper and paperboard, cut to size or shape:	
	ex B. Other:	
	— Toilet paper in rolls	12
	— Paper in strips or rolls for office machines and the like	12
48.16	Boxes, bags and other packing containers, of paper or paperboard; box files, letter trays and similar articles, of paper or paperboard, of a kind commonly used in offices, shops and the like:	
	ex A. Boxes, bags and other packing containers:	
	— Boxes, of corrugated paper or paperboard	15
	— Bags and sacks, of kraft paper	11
	— Boxes for cigars and cigarettes	14
ex 48.18	Registers, exercise books, note books, memorandum blocks, order books, receipt books, diaries, blotting-pads, binders (loose-leaf or other), file covers and other stationery of paper or paperboard; sample and other albums and book covers, of paper or paperboard:	
	— Memorandum blocks and exercise books	13
ex 48.19	Paper or paperboard labels, whether or not printed or gummed:	
	— Labels of all kinds, excluding cigar bands	14,5
48.21	Other articles of paper pulp, paper, paperboard or cellulose wadding:	
	B. Napkins and napkin liners for babies:	
	ex I. Not put up for retail sale:	
	— Of cellulose wadding	14
	ex II. Other:	
	— Of cellulose wadding	14
	ex D. Bed linen, table linen, toilet linen (including handkerchiefs and cleaning tissues) and kitchen linen; garments:	
	— Hand towels and table napkins	14
	ex E. Sanitary towels and tampons:	
	— Sanitary towels, of cellulose wadding	14

CCT heading No	Description	Rate (%)
48.21 *(cont'd)*	F. Other:	
	ex I. Articles of a kind used for surgical, medical or hygienic purposes, not put up for retail sale:	
	— Napkins and napkin liners of a kind used for hygienic purposes, of cellulose wadding	14
	ex II. Other:	
	— Napkins and napkin liners of a kind used for hygienic purposes, of cellulose wadding	14
70.10	Carboys, bottles, jars, pots, tubular containers and similar containers, of glass, of a kind commonly used for the conveyance or packing of goods, stoppers and other closures, of glass:	
	— Excluding containers of a kind commonly used for the conveyance or packing of goods made from glass tubing of a thickness of less than 1 mm and stoppers and other closures	9
ex 76.08	Structures and parts of structures (for example, hangars and other buildings, bridges and bridge-sections, towers, lattice masts, roofs, roofing frameworks, door and window frames, balustrades, pillars and columns), of aluminium; plates, rods, angles, shapes, sections, tubes and the like, prepared for use in structures, of aluminium:	
	— Doors, windows, and door and window frames	8,4
	— Plates, rods, angles, shapes, sections, tubes and the like, prepared for use in structures, of aluminium alloy	8,4
94.03	Other furniture and parts thereof:	
	ex B. Other:	
	— Beds of base metal	13
	— Shelving and parts thereof, of base metal	11,5
94.04	Mattress supports; articles of bedding or similar furnishing fitted with springs or stuffed or internally fitted with any material or of expanded, foam or sponge rubber or expanded, foam or sponge artificial plastic material, whether or not covered (for example, mattresses, quilts, eiderdowns, cushions, pouffes and pillows):	
	A. Articles of bedding of similar furnishing of expanded, foam or sponge artificial plastic material, whether or not covered	12
	ex B. Other:	
	— Mattress supports, mattresses and pillows	13