

COUNCIL DECISION

of 18 October 1971

amending the Decision of 29 September 1970 on the Association of the Overseas Countries and Territories with the European Economic Community

(71/353/EEC)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 136 thereof;

Having regard to the Internal Agreement on the Financing and Administration of Community Aid signed at Yaoundé on 29 July 1969, and in particular Article 1 thereof;

Whereas the Council Decision of 29 September 1970¹ on the Association of Overseas Countries and Territories with the European Economic Community did not lay down the fiscal and customs arrangements applicable to contracts financed by the Community in the Associated Overseas Countries and Territories and the French overseas departments;

Whereas, the necessary provisions having since been drawn up, it is advisable to incorporate them in that Decision,

HAS DECIDED AS FOLLOWS:

Article 1

The following text shall be substituted for the present text of Article 24 of the Decision of 29 September 1970:

'The fiscal and customs arrangements applicable in the Associated Overseas Countries and Territories to contracts financed by the Community are laid down in Annex X.'

Article 2

The following text shall be substituted for the present text of Article 26 of the Decision of 29 September 1970:

'The provisions of this Title and of Annexes V, VI, VII and X shall apply also to the French overseas departments.'

Article 3

Annex X, the text of which is annexed, shall be added to the Decision of 29 September 1970.

Article 4

The provisions of this Decision shall be applicable to the performance of all contracts financed by the Community and concluded on or after 1 January 1972.

Article 5

This Decision shall be published in the *Official Journal of the European Communities*.

Done at Luxembourg, 18 October 1971.

For the Council

The President

A. MORO

¹ OJ No L 282, 28.12.70, p. 83.

*ANNEX***concerning the fiscal and customs arrangements applicable, in the Associated Overseas Countries and Territories, to contracts financed by the Community***Article 1*

Contracts financed by the Community shall not be subject, in the beneficiary Associated Overseas Country or Territory, to existing or future stamp or registration duties or fiscal charges having equivalent effect.

Article 2

1. Contracts for research, inspection or supervision financed by the Community shall not, in the beneficiary Overseas Country or Territory, give rise to turnover tax.

2. Profits arising from carrying out contracts for works, research, inspection or supervision financed by the Community shall be taxable according to the internal fiscal arrangements of the Associated Overseas Country or Territory concerned, provided that the natural or legal persons who have carried them out have, in that Country or Territory, a permanent place of business or the contracts take longer than six months to carry out.

Article 3

1. The importation into the beneficiary Associated Overseas Country or Territory of products for consumption or use without further processing for the purpose of fulfilling supply contracts financed by the Community which have been concluded following an international call for tenders, shall be free of customs duties or taxes and import charges other than those constituting remuneration for the provision of services.

2. When, following an international call for tenders, a supply contract financed by the Community is awarded to an industrial undertaking from the French Republic or from the Kingdom of the Netherlands, which is established in the Associated Overseas Country or Territory concerned, that contract shall be concluded on the basis of the 'ex-factory price' for the supplies in question, plus the internal fiscal charges applicable to such supplies in the Associated Overseas Country or Territory concerned.

Article 4

Purchases of fuels, lubricants, hydrocarbon binding agents and, in general, of all materials used for projects financed by the Community shall be considered to have been made on the internal market and shall be subject to the fiscal treatment prescribed by the laws of general application in the beneficiary Associated Overseas Country or Territory concerned.

Article 5

Undertakings which need to import specialized equipment for the purpose of carrying out works contracts shall, in respects of that equipment, be entitled, on application and for a period expiring three months after the final acceptance of the works, to the temporary admission treatment laid down by the laws in force in the Associated Overseas Country or Territory concerned.

Article 6

The importation into the beneficiary Associated Overseas Country or Territory on a temporary basis of specialized equipment required for carrying out tasks specified in a contract for research, inspection or supervision shall be free of customs duties and taxes and import charges other than those constituting remuneration for the provision of services.

Article 7

The importation of personal effects and goods, excluding motor vehicles for personal use, by natural persons responsible for carrying out tasks specified in a research, inspection or supervision contract shall be free of customs duties and taxes and import charges other than those constituting remuneration for the provision of services, on condition that personal effects and goods have been in use at least six months and that they are imported within four months of those persons taking up their duties in the Associated Country or Territory concerned.

Article 8

Any matter not covered by this Decision shall be governed by the laws of the Overseas Country or Territory concerned.

Article 9

The foregoing provisions shall be applicable in respect of the performance of all contracts financed by the Community and concluded on or after the date of entry into force of this Decision.
