COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 03.09.1997
COM(97) 438 final

97/0230 (ACC)

Proposal for a

COUNCIL REGULATION (EC)

amending Council Regulation (EEC) No 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff and autonomously suspending collection of Common Customs Tariff duties in respect of certain information technology products

(presented by the Commission)

EXPLANATORY MEMORANDUM

1. Following the Ministerial Declaration on trade in information technology products adopted in Singapore on 13 December, Council Decision No 97/359/EC [1] was adopted with the aim of binding customs duties on the products concerned - including semiconductors and various devices for manufacturing and testing them -and phasing them out by 1 January 2000.

2. The Singapore Information Technology Agreement (ITA) encourages parties to eliminate duties on an autonomous basis before that deadline.

3. The present proposal for a regulation is supplementary to the Commission Regulation implementing the Council Decision, providing for the autonomous elimination or reduction of customs duties on a number of products covered by the ITA and some related products not initially covered but of major significance to EU businesses. The proposed measures have been endorsed by the EU industries concerned and approved by the Customs Code Committee (Tariff and Statistical Nomenclature Section).

4. It is accordingly proposed that the necessary amendments be made to Council Regulation (EEC) No 2658/87.

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[1] OJ No L 155, 12. 6.1997.

COUNCIL REGULATION (EC) No .../...

of ....

amending Council Regulation (EEC) No 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff and autonomously suspending collection of Common Customs Tariff duties in respect of certain information technology products

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 113 thereof,

Having regard to the proposal from the Commission,

Whereas Council Regulation (EEC) No 2658/87 of 23 July 1987 on the tariff and statistical nomenclature and on the Common Customs Tariff[1] established a nomenclature of goods, hereinafter referred to as the "Combined Nomenclature",

Whereas Council Decision No 97/359/EC[2] provides for the binding and elimination by 1 January 2000 of customs duties on certain information technology products; whereas the annexes to the Singapore Ministerial Declaration of 13 December 1996 on trade in information technology products encourage parties to eliminate customs duties autonomously before the deadline; whereas it is desirable on that basis to suspend or reduce further customs duties on a number of products, including some semiconductors, covered by the Council Decision;

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[1] OJ No L 256, 7. 9.1987.
[2] OJ No L 155, 12. 6.1997.

Whereas Council Decision 94/800/EC of 22 December 1994 concerning the conclusion on behalf of the European Community, as regards matters within its competence, of the agreements reached in the Uruguay Round multilateral negotiations (1986-1994)[3] has resulted in exemption from customs duties for certain apparatus used in the manufacture and testing of semiconductors; whereas certain parts intended to be incorporated into such apparatus remain subject to the customs duties for the headings under which they fall; whereas the exemption does not apply to certain other apparatus, and parts thereof, for the manufacture and testing of semiconductors; whereas the exemption should be extended to the said apparatus and parts;

Whereas Council Regulation (EEC) No 2913/92 of 12 October 1992 establishing the Community Customs Code,[4] as last amended by Regulation (EC) No 82/97 of the European Parliament and of the Council,[5] and in particular Articles 21, 82, 88 and 90 thereof, and Commission Regulation (EEC) No 2454/93 of 2 July 1993 laying down provisions for the implementation of Council Regulation (EEC) No 2913/92 establishing the Community Customs Code,[6] as last amended by Commission Regulation (EC) No 89/97,[7] and in particular Articles 291 *et seq.* thereof, lay down the conditions on which certain goods will be admitted with favourable tariff treatment by reason of their end-use; whereas it is appropriate to use those provisions for certain apparatus;

Whereas new subheadings should be inserted in the Combined Nomenclature for the products in question, coupled where necessary with end-use provisions; whereas the said Nomenclature should be amended accordingly,

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[3] OJ No L 336, 23.12.1994.
[4] OJ No L 302, 19.10.1992.
[5] OJ No L 17, 21.1.1997.
[6] OJ No L 253, 11.10.1993.
[7] OJ No L 17, 21. 1.1997.

HAS ADOPTED THIS REGULATION:

Article 1

1. Annex I, second part, of the Combined Nomenclature annexed to Council Regulation (EEC) No. 2658/87 is modified in accordance with Annex I of this regulation.

2. The changes to the subheadings of the Combined Nomenclature, laid down by the present regulation, apply as TARIC subheadings until their insertion into the Combined Nomenclature in accordance with the provisions of Article 12 of Regulation (EEC) No. 2658/87.

Article 2

The autonomous rates applicable to the products listed in Annex II of the present regulation are to be progressively reduced according to the timetable stated in this annex.

Article 3

For CN codes 8541 10 10 to 8542 90 00 , in column 3 of Annex I, second part, of Regulation (EEC) No. 2658/87, the reference to the note at the bottom of the page (z) is inserted after the autonomous duty rate. The text of the note (z) will read as follows: "(z): Autonomous suspension for an indefinite period.".

Article 4

This Regulation shall enter into force on the third day following that of its publication in the Official Journal of the European Communities.

Article 1 and 2 shall apply from [1 October 1997]

Article 3 shall apply from 1 January 1998 .

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, For the Commission

ANNEX I

CN CODE	DESCRIPTION	Rate of duty		Supplementary Unit
		autonomous	conventional	
1	2	3	4	5
7020 00	Other articles of glass :			
7020 00 05 (a)	- Quartz reactor tubes and holders designed for insertion into diffusion and oxidation furnaces for production of semiconductor materials	21 (z)	3	-
	(unchanged)			

(a) Taric Code : 7020 00 10 10
(z) Autonomous suspension for an indefinite period.

8414 10	- Vacuum pumps :			
8414 10 10	- - *(unchanged)*			
8414 10 20 (a)	- - For use in semiconductor production (y)	12 (z)	2.8	-
	- - Other :			
8414 10 30	- - - *(unchanged)*			
	- - - *(unchanged*			
8414 10 50	- - - - *(unchanged)*			
8414 10 80 (b)	- - - -*(unchanged)*			

(a) Taric Code: 8414 10 30 10, 8414 10 50 10, 8414 10 90 10
(b) Taric Code: 8414 10 30 90, 8414 10 50 90, 8414 10 90 90
(y) Entry under this subheading is subject to conditions laid down in the relevant Community provisions
(z) Autonomous suspension for an indefinite period.

8419 89 25	- - - *(unchanged)*			
8419 89 27 (a)	- - - Apparatus for chemical vapour deposition on LCD substrates	14 (z)	3.1	-
8419 89 30	- - - *(unchanged)*			
8419 89 98	- - - Other	14	3.1	-

(a) Taric code : 8419 89 95 20
(z) Autonomous suspension for an indefinite period

8419 90	- Parts:			
8419 90 10	*(unchanged)*			
8419 90 20	*(unchanged)*			
8419 90 30 (a)	- - Of apparatus of subheading 8419 89 15, 8419 89 20 or 8419 89 25	14 (z)	2	-
8419 90 50 (f)	- - Of apparatus of subheading 8419 89 27	14 (z)	2.7	-
8419 90 80	*(unchanged*			

(a) Taric Code : 8419 90 95 10
(f) Taric code: 8419 90 95 20
(z) Autonomous suspension for an indefinite period.

8421 19	- - Other:			
8421 19 10	- - - *(unchanged)*			
	- - - *(unchanged)*			
8421 19 91	- - - - *(unchanged)*			
	- - - - Centrifuges of a kind used in the manufacture of semiconductor wafers :			
8421 19 93	- - - - - *(unchanged)*			
8421 19 95 (a)	- - - - - Other	13 (z)	1.1	-
	- - - - Other :			
8421 19 96 (b)	- - - - - Spinners for coating photographic emulsions on LCD substrates	13 (z)	1.5	-
8421 19 97 (c)	- - - - - Other	13	1.5	-
	- Parts:			
8421 91	- - Of centrifuges, including centrifugal dryers :			
8421 91 10 (d)	- - - Of apparatus of subheading 8421 19 93 or 8421 19 95	13 (z)	1.9	-
8421 91 30 (e)	- - - Of apparatus of subheading 8421 19 96	13 (z)	2.5	-
8421 91 90 (f)	- - - Other	13	2.5	-
8421 99 00	*(unchanged)*			

(a) Taric Code : 8421 19 98 10
(b) Taric Code : 8421 19 98 20
(c) Taric Code : 8421 19 98 90
(d) Taric Code : 8421 91 00 10
(e) Taric Code 8421 91 00 20
(f) Taric Code 8421 91 00 90
(z) Autonomous suspension for an indefinite period.

8424 89	- - Other:			
8424 89 20	*(unchanged)*			
8424 89 30 (a)	- - - Deflash machines for cleaning the metal leads of semiconductor packages prior to the electroplating process	12 (z)	2.1	-
	(unchanged)			
8424 90	- Parts :			
8424 90 10 (b)	- - Of appliances of subheading 8424 89 20	12 (z)	2.1	-
8424 90 30 (f)	- - Of appliances of subheading 8424 89 30	12 (z)	2.8	-
8424 90 90	*(unchanged)*			

(a) Taric Code : 8424 89 80 10
(b) Taric Code : 8424 90 00 91
(f) Taric Code: 8424 90 00 92
(z) Autonomous suspension for an indefinite period.

8431 39	- - Other:			
	(unchanged)			
8431 39 20 (a)	- - - For machines of subheading 8428 39 93	14 (z)	1.2	-
	(unchanged)			

(a) Taric Code : 8431 39 90 91
(z) Autonomous suspension for an indefinite period.

8443 59	- - *(unchanged)*			
8443 59 20	- - - *(unchanged*			
	- - - Other:			
8443 59 40 (a)	- - - - For use in the production of semiconductors (y)	11 (z)	2.2	p/st
8443 59 70 (b)	- - - - Other	11	2.2	p/st

(a) Taric Code: 8443 59 80 10
(b) Taric Code: 8443 59 80 90
(y) Entry under this subheading is subject to conditions laid down in the relevant Community provisions
(z) Autonomous suspension for an indefinite period.

8443 90	- Parts :			
8443 90 05 (a)	- - For use in the production of semiconductors (y)	11 (z)	2.2	-
	- - Other:			
8443 90 10 (c)	- - - Of cast iron or cast steel	11	2.2	p/st
8443 90 80 (d)	- - - Other	11	2.2	p/st

(a) Taric Code : 8443 90 10 10, 8443 90 90 10
(y) Entry under this subheading is subject to conditions laid down in the relevant Community provisions.
(c) Taric code : 8443 90 10 90
(d) Taric code : 8443 90 90 90
(z) Autonomous suspension for an indefinite period.

8456 10	- Operated by laser or other light or photon beam processes :			
8456 10 10 (a)	- - Of a kind used in the manufacture of semiconductor wafers or devices *(unchanged)*	15 (z)	3.5	p/st

(a) Taric Code : 8456 10 00 10
(z) Autonomous suspension for an indefinite period.

8456 99	- *(unchanged)*			
8456 99 10	- - *(unchanged)*			
8456 99 30	- - *(unchanged)*			
8456 99 50 (a)	- - Apparatus for dry-etching patterns on LCD substrates	15 (z)	3.9	-
8456 99 80 (b)	- - Other	15	3.9	-

(a) Taric Code : 8456 99 90 10
(b) Taric code 8456 99 90 90
(z) Autonomous suspension for an indefinite period.

	- Bending, folding, straightening or flattening machines (including presses):			
8462 21	- - Numerically controlled:			
8462 21 05 (a)	- - - Of a kind used in the manufacture of semiconductor devices *(unchanged)*	8 (z)	2.4	-
8462 29	- - Other:			
8462 29 05 (c)	- - - Of a kind used in the manufacture of semiconductor devices *(unchanged)*	8 (z)	1.3	-

(a) Taric Code : 8462 21 90 10
(c) Taric Code : 8462 29 99 10, 8462 29 91 10
(z) Autonomous suspension for an indefinite period.

8466 91	- - For machines of heading No 8464:			
8466 91 15 (a)	- - - For machines of subheading 8464 10 10, 8464 20 05 or 8464 90 10	8 (z)	1.4	-
	(unchanged)			
8466 93	- - For machines of heading Nos 8456 to 8461:			
8466 93 15 (c)	- - - For machines and apparatus of subheading 8456 10 10, 8456 91 00, 8456 99 10 or 8456 99 30	8 (z)	1.4	-
8466 93 17 (f)	- - For apparatus of subheading 8456 99 50	12 (z)	1.9	-
	- - - Other :			
	(unchanged)			
8466 94	- - For machines of heading No 8462 or 8463:			
8466 94 10 (e)	- - - For machines of subheading 8462 21 05 or 8462 29 05	8 (z)	1.4	-
	(unchanged)			

(a) Taric Code : 8466 91 20 10 , 8466 91 80 10
(c) Taric Code : 8466 93 20 10, 8466 93 80 10
(e) Taric Code : 8466 94 00 10
(f) Taric Code : 8466 93 20 20, 8466 93 80 20
(z) Autonomous suspension for an indefinite period.

8477 10	- Injection-moulding machines :			
8477 10 10 (a)	- - Encapsulation equipment for assembly of semiconductor devices	15 (z)	2.1	-
	(unchanged)			
8477 59	- - Other :			
8477 59 05 (c)	- - - Encapsulation equipment for assembly of semiconductor devices	15 (z)	2.1	-
	(unchanged)			
8477 90	- Parts:			
8477 90 05 (e)	- - For machines of subheadings 8477 10 10 and 8477 59 05	15 (z)	2.1	-
	(unchanged)			

(a) Taric Code : 8477 10 00 10
(c) Taric Codes : 8477 59 10 10 , 8477 59 90 10
(e) Taric Codes : 8477 90 10 10 , 8477 90 90 10
(z) Autonomous suspension for an indefinite period.

8479 89	- - Other :			
	(unchanged)			
8479 89 76 (a)	- - - - Apparatus for wet etching, developing, stripping or cleaning liquid crystal display substrates	15 (z)	2.1	-
8479 89 77 (b)	- - - - Die attach apparatus and tape automated bonders for assembly of semiconductors devices	15 (z)	2.1	-
8479 89 79 (c)	- - - - Encapsulation equipment for assembly of semiconductor devices	15 (z)	2.1	-
	(unchanged)			
8479 90	- Parts:			
	(unchanged)			
	- - Other:			
8479 90 50 (e)	- - -Of machines of subheading 8479 89 65, 8479 89 70, 8479 89 75, 8479 89 76, 8479 89 77 or 8479 89 79	15 (z)	2.1	-
	(unchanged)			

(a) Taric Code : 8479 89 95 10
(c) Taric Code : 8479 89 95 30
(e) Taric Code : 8479 90 92 10, 8479 90 98 10
(z) Autonomous suspension for an indefinite period.

8480 71	- - Injection or compression types :			
8480 71 10 (a)	- - - Of a kind used in the manufacture of semiconductor devices	13 (z)	1.9	-
	(unchanged)			

(a) Taric Code : 8480 71 00 10
(z) Autonomous suspension for an indefinite period.

8514 10	- Resistance heated furnaces and ovens:			
8514 10 05 (a)	- - For the manufacture of semiconductor devices on semiconductor wafers	14 (z)	2.3	-
	(unchanged)			
8514 20	- Induction or dielectric furnaces and ovens:			
8514 20 05 (c)	- - For the manufacture of semiconductor devices on semiconductor wafers	14 (z)	2.3	-
	(unchanged)			
8514 90	- Parts :			
8514 90 20 (e)	- - Of machines of subheading 8514 10 05, 8514 20 05, 8514 30 11 or 8514 30 91	14 (z)	2.3	-
	(unchanged)			

(a) Taric Code : 8514 10 90 10
(c) Taric Code : 8514 20 90 10
(e) Taric Code : 8514 90 00 10
(z) Autonomous suspension for an indefinite period.

8515 80	- Other machines and apparatus:			
8515 80 05 (a)	- - Wire bonders of a kind used for the manufacture of semiconductor devices *(unchanged)*	15 (z)	2.8	-
8515 90	- Parts :			
8515 90 10 (b)	- - For machines of subheading 8515 80 05 *(unchanged)*	15 (z)	2.8	-

(a) Taric Code : 8515 80 99 10
(b) Taric Code : 8515 90 00 10
(z) Autonomous suspension for an indefinite period.

8538 90	*(unchanged)*			
	-- For wafer probers of subheading 8536 90 20 :			
8538 90 11 (a)	--- Electronic assemblies	16(z)	3.8	-
8538 90 19 (b)	--- Other	16(z)	2.9	-
	-- Other :			
8538 90 91 (c)	--- Electronic assemblies	16	3.8	-
8538 90 99 (d)	--- Other	16	2.9	-

(a) Taric Code : 8538 90 10 91
(b) Taric Code : 8538 90 90 92
(c) Taric Code : 8538 90 10 99
(d) Taric Code : 8538 90 90 99
(z) Autonomous suspension for an indefinite period.

8543 30	- Machines and apparatus for electroplating, electrolysis or electrophoresis:			
	(unchanged)			
8543 30 30 (a)	- - Apparatus for wet etching, developing, stripping or cleaning liquid crystal display substrates	13 (z)	3.8	-
	(unchanged)			

(a) Taric code: 8543 30 90 10
(z) Autonomous suspension for an indefinite period.

	- Other machines and apparatus :			
8543 89	- - Other:			
8543 89 10 to 8543 89 59	*(unchanged)*			
	- - - - Apparatus for physical deposition on semiconductor wafers :			
8543 89 70	- - - - - *(unchanged)*			
8543 89 72 (e)	- - - - - Other	13 (z)	3.8	-
8543 89 73 (f)	- - - - Encapsulation equipment for assembly of semiconductor devices	13 (z)	3.8	-
85 43 89 75 (g)	- - - - Apparatus for physical deposition by sputtering on LCD substrates	13 (z)	5	-
8543 89 79	*(unchanged)*			
8543 89 95	*(unchanged)*			

(e) Taric code: 8543 89 90 80
(f) Taric code: 8543 89 90 85
(g) Taric code: 8543 90 90 90
(z) Autonomous suspension for an indefinite period.

8543 90	- *(unchanged*			
8543 90 10	- - *(unchanged)*			
8543 90 20	- - *(unchanged*			
8543 90 30 (k)	- - Of apparatus of subheading 8543 11 00, 8543 30 10, 8543 30 30, 8543 89 70, 8543 89 72 or 8543 89 73	13 (z)	3.8	-
8543 90 40 (m)	- - Of apparatus of subheading 8543 89 75	13 (z)	5	-
8543 90 80	- - Other	13	5	-

(k) Taric code : 8543 90 90 70
(m) Taric code : 8543 90 90 75
(z) Autonomous suspension for an indefinite period.

9006 99	- - Other :			
9006 99 10 (a)	- - - Of apparatus of subheading 9006 10 10	16 (z)	3	-
	(unchanged)			

(a) Taric code: 9006 99 00 20
(z) Autonomous suspension for an indefinite period.

9010 50	- Other apparatus and equipment for photographic (including cinematographic) laboratories; negatoscopes :			
9010 50 10 (a)	- - Apparatus for the projection or drawing of circuit patterns on sensitized flat panel display substrates	15 (z)	2.7	-
	(unchanged)			
9010 90	- Parts and accessories :			
9010 90 10 (c)	- - Of apparatus of subheading 9010 41 00, 9010 42 00, 9010 49 00 or 9010 50 10	15 (z)	2.7	-
	(unchanged)			

(a) Taric code: 9010 50 00 10
(c) Taric code: 9010 90 00 91
(z) Autonomous suspension for an indefinite period.

9011	Compound optical microscopes, including those for photomicrography, cinephotomicrography or microprojection:			
9011 10	- Stereoscopic microscopes :			
9011 10 10 (a)	- - Fitted with equipment specifically designed for the handling and transport of semiconductor wafers or reticles	18 (z)	6	p/st
	(unchanged			
9011 20	- Other microscopes, for photomicrography, cinephotomicrography or microprojection :			
9011 20 10 (c)	- - Photomicrographic microscopes fitted with equipment specifically designed for the handling and transport of semiconductor wafers or reticles	18 (z)	6	p/st
	(unchanged)			
9011 90	- Parts and accessories :			
9011 90 10 (e)	- - Of apparatus of subheading 9011 10 10 or 9011 20 10	18 (z)	6	-
	(unchanged)			
9012	Microscopes other than optical microscopes; diffraction apparatus:			
9012 10	- Microscopes other than optical microscopes and diffraction apparatus :			
9012 10 10 (g)	- - Electron microscopes, fitted with equipment specifically designed for the handling and transport of semiconductor wafers or reticles	15 (z)	3.4	-
	(unchanged)			
9012 90	- Parts and accessories :			
9012 90 10 (ij)	- - Of apparatus of subheading 9012 10 10	15 (z)	3.4	-
	(unchanged)			

(a)	Taric code: 9011 10 00 10
(c)	Taric code: 9011 20 00 10
(e)	Taric code: 9011 90 00 10
(g)	Taric code: 9012 10 00 10
(ij)	Taric code: 9012 90 00 10
(z)	Autonomous suspension for an indefinite period.

9017 90	- Parts and accessories :			
9017 90 10 (d)	- - For apparatus of subheading 9017 20 31	16 (z)	2.8	-
	(unchanged			

(d) Taric code: 9017 90 00 91
(z) Autonomous suspension for an indefinite period.

9027 80	- *(unchanged)*			
	- - *(unchanged)* :			
9027 80 11	- - - *(unchanged)*			
9027 80 15	- - - *(unchanged)*			
9027 80 16 (a)	- - - Apparatus for performing measurements of the physical properties of LCD substrates or associated insulating or conducting layers during the LCD production process	16 (z)	3,3	-
9027 80 17 (b)	- - - Other	16	3.3	-
	- - Other :			
9027 80 91	- - - *(unchanged)*			
9027 80 95	- - - *(unchanged)*			
9027 80 96 (c)	- - - Apparatus for performing measurements of the physical properties of LCD substrates or associated insulating or conducting layers during the LCD production process	16 (z)	3	-
9027 80 97 (d)	- - - Other	16	3	-

(a) Taric code: 9027 80 18 10
(b) Taric code: 9027 80 18 90
(c) Taric code: 9027 80 98 10
(d) Taric code: 9027 80 98 90
(z) Autonomous suspension for an indefinite period.

9027 90	- *(unchanged)*			
9027 90 10	- - *(unchanged)*			
	- - Parts and accessories:			
9027 90 50 (a)	- - - Of apparatus of subheadings 9027 20 to 9027 80	16 (z)	3.3	-
9027 90 80 (b)	- - - *(unchanged)*			

(a) Taric code: 9027 90 90 10
(b) Taric code: 9027 90 90 20
(z) Autonomous suspension for an indefinite period.

9030 90	- *(unchanged)*			
90 30 90 10	- - *(unchanged)*			
	- - Other :			
9030 90 20 (a)	- - - For apparatus of subheading 9030 82 00	16 (z)	3.4	-
	(unchanged)			

(a) Taric code: 9030 90 90 10
(z) Autonomous suspension for an indefinite period.

9031 80	- *(unchanged)* :			
9031 80 10	- - *(unchanged)*			
	- - Other :			
	- - - Electronic :			
	- - - - For measuring or checking geometrical quantities :			
9031 80 32 (a)	- - - - - For inspecting semiconductor wafers or devices or for inspecting photomasks or reticles used in manufacturing semiconductor devices	16 (z)	4.6	-
9031 80 34 (b)	- - - - - Other	16	4.6	-

(a) Taric code: 9031 80 31 10
(b) Taric code: 9031 80 31 90
(z) Autonomous suspension for an indefinite period.

9031 90	- Parts and accessories:			
9031 90 10	*(unchanged)*			
	- - Other :			
9031 90 20 (c)	- - - For apparatus of subheading 9031 41 00 or 9031 49 10	16 (z)	3.4	-
9031 90 30 (e)	- - - For apparatus of subheading 9031 80 32	16 (z)	4.6	-
9031 90 80 (d)	*(unchanged)*			

(c) Taric code: 9031 90 90 91

(d) Taric code 9031 90 90 99

(e) Taric code 9031 90 90 92

(z) Autonomous suspension for an indefinite period.

Annex II

	Autonomous duty rate			
CN CODE	1.[10.]1997	1.1.1998	1.1.1999	1.1.2000
8473 30 10	1.5	1	Free	Free
8504 40 35	1.5	1	Free	Free

FINANCIAL STATEMENT

1. Budget heading involved: Chapter 12 Article 120

2. Title of tariff measure: Draft proposal for a Council Regulation (EC) amending Council Regulation (EEC) No 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff and autonomously suspending collection of Common Customs Tariff duties in respect of certain information technology products

3. Legal basis: Article 113 of the EC Treaty

4. Objective: autonomous exemption from CCT duties for the products concerned

5. Preventive/protective measures: the end-use of some of the products covered by the Council Regulation will be checked in accordance with Articles 291 to 304 of the Customs Code implementing provisions (Commission Regulation (EEC) No 2454/93).

6. Cost of tariff measure:

This measure to some extent anticipates Council Decision No 97/359/EC (OJ L 155, 12.6.1997) concerning the elimination of duties on some information technology products, from 1/1/1999 in respect of semi-conductors and by the year 2000 in respect of the other range of products.

The global loss of uncollected duties will be less than that expected under the above mentioned Council decision. The revenue forgone is to be calculated as the difference between the cut in duty under the Information Technology Agreement (ITA) from 1 July and the suspension here provided for.

On the basis of 1996 imports, it will be :

- 63 M Ecus, 1997 (6 months)
- 162 M Ecus, 1998
- 80 M Ecus, 1999
- 47 M Ecus for the following years.

These figures should be considered as being a maximum because it is difficult to quantify the uncollected duties, as the exemptions do not apply to all imports under the tariff headings in which the products are currently classified.

The value reduction in traditional own resources shall be financed on the basis of additional recourse from PNB resources.

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