



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 07.01.2002
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2002/0006 (ACC)

Proposal for a

COUNCIL DECISION

on the conclusion of an Agreement in the form of an Exchange of Letters between the European Community and the Republic of Kazakhstan establishing a double-checking system without quantitative limits in respect of the export of certain steel products covered by the EC and ECSC Treaties from the Republic of Kazakhstan to the European Community

(presented by the Commission)

EXPLANATORY MEMORANDUM

The Community's Partnership and Cooperation Agreement with Kazakhstan provides for agreements on quantitative arrangements concerning exchanges of ECSC steel products. The current ECSC Steel Agreement expires on 31 December 2001. Moreover, certain steel products which fall outside the scope of the Steel Agreement are subject to a double-checking system without quantitative limitations. This double-checking system also ends on 31 December 2001.

During the negotiations on the new ECSC steel Agreement, the Parties agreed to re-establish a double-checking system without quantitative limitations in order to monitor the trade in certain EC and ECSC Treaty steel products which fall outside the scope of the ECSC Agreement. The aim of the double-checking system is to improve transparency and to avoid possible diversions of trade. It is without prejudice to the application of the relevant provisions of the agreements on trade and trade-related matters, in particular those relating to anti-dumping and safeguard measures.

The double-checking system would apply for the period 2002-2004. It will be established by means of an Agreement in the form of an Exchange of Letters.

Proposal for a

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on the conclusion of an Agreement in the form of an Exchange of Letters between the European Community and the Republic of Kazakhstan establishing a double-checking system without quantitative limits in respect of the export of certain steel products covered by the EC and ECSC Treaties from the Republic of Kazakhstan to the European Community

THE COUNCIL OF THE EUROPEAN UNION,

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

Having regard to the proposal from the Commission,

Whereas:

- (1) The Partnership and Cooperation Agreement establishing a partnership between the European Communities and their Member States, of the one part, and the Republic of Kazakhstan, of the other part¹, entered into force on 1 July 1999,
- (2) The European Community and the Republic of Kazakhstan agreed to establish a double-checking system in respect of certain steel products for the period ranging from 1 January 2000 to 31 December 2001. This Agreement in the form an Exchange of Letters was approved on behalf of the European Community by means of Council Decision 1999/865/EC². Council Regulation (EC) N°2743/1999³ established the corresponding implementing legislation for the Community,
- (3) The Commission has finalised negotiations for an Agreement in the form of an Exchange of Letters between the European Community and the Republic of Kazakhstan establishing a double-checking system without quantitative limits in respect of the export of certain steel products covered by the EC and ECSC Treaties from the Republic of Kazakhstan to the European Community,

¹ OJ L 196, 28.07.1999, p.3.

² OJ L 342, 31.12.1999, p. 37

³ OJ L 342, 31.12.1999, p. 1

HAS DECIDED AS FOLLOWS:

Article 1

1. The Agreement in the form of an Exchange of Letters between the European Community and the Republic of Kazakhstan establishing a double-checking system without quantitative limits in respect of the export of certain steel products covered by the EC and ECSC Treaties from the Republic of Kazakhstan to the European Community is hereby approved on behalf of the European Community.
2. The text of the Agreement⁴ is annexed to this Decision.

Article 2

The President of the Council is hereby authorized to designate the persons empowered to sign the Agreement in the form of an exchange of letters referred to in Article 1 in order to bind the Community.

Done at Brussels,

For the Council
The President

² See page ... of this Official Journal.

Agreement in the form of an Exchange of Letters between the European Community and the Government of the Republic of Kazakhstan establishing a double-checking system without quantitative limits in respect of the export of certain steel products covered by the EC and ECSC Treaties from Kazakhstan to the European Community

LETTER FROM THE COUNCIL OF THE EUROPEAN UNION

Sir,

1. I have the honour to refer to the ongoing negotiations between the European Coal and Steel Community and the Government of the Republic of Kazakhstan concerning a new ECSC steel agreement, in the course of which consultations took place with regard to problems concerning certain steel products covered by the EC and ECSC treaties which fall outside the scope of the ECSC steel Agreement.
2. Following these consultations the Parties hereby agree to establish a double-checking system, without quantitative limits, in respect of certain steel products in order to improve transparency and to avoid possible diversions of trade. The details of the double-checking system are annexed to this letter.
3. The present Exchange of Letters is without prejudice to the application of the relevant provisions of the bilateral agreements on trade and trade-related matters, in particular those relating to anti-dumping and safeguard measures.
4. Either Party may at any time propose modifications to the Annex or its appendices which shall require the mutual consent of the Parties and shall take effect as agreed by them. In the event that anti-dumping or safeguard investigations are initiated or measures introduced in the European Community concerning a product under the double-checking system, Kazakhstan will decide whether to exclude the product in question from the double-checking system. Such a decision shall not affect the entry into free circulation of the product in question into the Community.
5. In conclusion, I have the honour to propose that if this letter, its annex and appendices are acceptable to your Government, this letter and your confirmation shall together constitute an agreement between the European Community and Kazakhstan, which shall enter into force on the date of your reply.

Please accept, sir, the assurance of my highest consideration,

For the Council of the European Union

LETTER FROM THE GOVERNMENT OF THE REPUBLIC OF KAZAKHSTAN

Sir,

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

- “1. I have the honour to refer to the ongoing negotiations between the European Coal and Steel Community and the Government of the Republic of Kazakhstan concerning a new ECSC steel agreement, in the course of which consultations took place with regard to problems concerning certain steel products covered by the EC and ECSC treaties which fall outside the scope of the ECSC steel Agreement.
2. Following these consultations the Parties hereby agree to establish a double-checking system, without quantitative limits, in respect of certain steel products in order to improve transparency and to avoid possible diversions of trade. The details of the double-checking system are annexed to this letter.
3. The present Exchange of Letters is without prejudice to the application of the relevant provisions of the bilateral agreements on trade and trade-related matters, in particular those relating to anti-dumping and safeguard measures.
4. Either Party may at any time propose modifications to the Annex or its appendices which shall require the mutual consent of the Parties and shall take effect as agreed by them. In the event that anti-dumping or safeguard investigations are initiated or measures introduced in the European Community concerning a product under the double-checking system, Kazakhstan will decide whether to exclude the product in question from the double-checking system. Such a decision shall not affect the entry into free circulation of the product in question into the Community.
5. In conclusion, I have the honour to propose that if this letter, its annex and appendices are acceptable to your Government, this letter and your confirmation shall together constitute an agreement between the European Community and Kazakhstan, which shall enter into force on the date of your reply.”

I have the honour to confirm that the above is acceptable to my Government and that your letter, this reply and the attached annex and appendices together constitute an agreement, in accordance with your proposal.

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

For the Government of the Republic of Kazakhstan.

ANNEX

to the Agreement in the form of and Exchange of Letters between the European Community and the Government of Kazakhstan establishing a double-checking system without quantitative limits in respect of the export of certain steel products covered by the EC and ECSC Treaties from Kazakhstan to the European Community

1.1. For the period running from the date on which this Agreement is applied between the Parties to 31 December 2004, unless both Parties agree to terminate the system earlier, imports into the Community of the products listed in Appendix I originating in Kazakhstan shall be subject to the presentation of a surveillance document conforming to the model shown at Appendix II issued by the authorities in the Community.

1.2. For the period running from the date on which this Agreement is applied to 31 December 2004, unless both Parties agree to terminate the system earlier, imports into the Community of the products listed in Appendix I and which originate in Kazakhstan shall, in addition, be subject to the issue of an export document by the competent Kazakhstan authorities. Presentation by the importer of the original of the export document must be effected not later than 31 March of the year following that in which the goods covered by the document were shipped.

1.3. Shipment is considered to have taken place on the date of loading into the exporting means of transport.

1.4. The export document shall conform to the model shown in Appendix III. It shall be valid for exports throughout the customs territory of the Community.

1.5. Kazakhstan shall notify the Commission of the European Communities of the names and addresses of the appropriate Kazakhstan governmental authorities which are authorised to issue and to verify export documents together with specimens of the stamps and signatures they use. Kazakhstan shall also notify the Commission of any change in these particulars.

1.6. The classification of the products covered by this Agreement is based on the tariff and statistical nomenclature of the Community (hereinafter called the 'Combined Nomenclature', or in abbreviated form 'CN'). The origin of the products covered by this Agreement shall be determined in accordance with the rules in force in the Community.

1.7. The competent authorities of the Community undertake to inform Kazakhstan of any changes in the Combined Nomenclature (CN) in respect of products covered by this Agreement before their date of entry into force in the Community.

1.8. Certain technical provisions on the implementation of the double-checking system are set out in Appendix IV.

2.1. Kazakhstan undertakes to supply the Community with precise statistical information on the export documents issued by the Kazakhstan authorities pursuant to 1.2. Such information shall be transmitted to the Community by the end of the month following the month to which the statistics relate.

2.2. The Community undertakes to supply the Kazakhstan authorities with precise statistical information on surveillance documents issued by Member States in respect of the export documents issued by the Kazakhstan authorities pursuant to 1.1. Such information shall be transmitted to the Kazakhstan authorities by the end of the month following the month to which the statistics relate.

3. If necessary, at the request of either of the Parties, consultations shall be held on any problems arising from the operation of the Agreement. Such consultations shall be held promptly. Any consultations held under this paragraph shall be approached by both Parties in a spirit of cooperation and with a desire to reconcile the difference between them.

4. Any notices to be given hereunder shall be given:

- in respect of the Community, to the Commission of the European Communities,
- in respect of Kazakhstan, to the Mission of the Republic of Kazakhstan to the European Communities.

APPENDIX I

List of products subject to double-checking without quantitative limits

Kazakhstan

Cold-rolled narrow strip of a width not exceeding 500mm

7211 23 99

7211 29 50

7211 29 90

7211 90 90

Grain non-oriented electrical sheet

7211 23 91

7225 19 10

7225 19 90

7226 19 10

7226 19 30

7226 19 90

Grain-oriented electrical sheet

7226 11 90

APPENDIX II

EUROPEAN COMMUNITY

SURVEILLANCE DOCUMENT

1	1. Consignee (name, full address, country, VAT number)	2. Issue number	
Holder's copy		3. Proposed place and date of import	
		4. Authority responsible for issue (name, address and telephone No)	
	5. Declarant/representative as applicable (name and full address)	6. Country of origin (and geonomenclature code)	
		7. Country of consignment (and geonomenclature code)	
1		8. Last day of validity	
9. Description of goods		10. CN code and category	
		11. Quantity in kilograms (net mass) or in additional units	
		12. Value in euros, cif at Community frontier	
13. Additional remarks			
14. Competent authority's endorsement Date : Signature: Stamp:			

15. ATTRIBUTIONS Indicate the quantity available in part 1 of column 17 and the quantity attributed in part 2 thereof			
16. Net quantity (net mass or other unit of measure stating the unit)		19. Customs document (form and number) or extract No and date of attribution	20. Name, Member State, stamp and signature of the attributing authority
17. In figures	18. In words for the quantity attributed		
1.			
2.			
1.			
2.			
1.			
2.			
1.			
2.			
1.			
2.			
1.			
2.			
1.			
2.			
1.			
2.			

Extension pages to be attached hereto

EUROPEAN COMMUNITY

SURVEILLANCE DOCUMENT

2	1. Consignee (name, full address, country, VAT number)	2. Issue number	
Copy for the issuing authority		3. Proposed place and date of import	
		4. Authority responsible for issue (name, address and telephone No)	
2	5. Declarant/representative as applicable (name and full address)	6. Country of origin (and geonomenclature code)	
		7. Country of consignment (and geonomenclature code)	
		8. Last day of validity	
9. Description of goods		10. CN code and category	
		11. Quantity in kilograms (net mass) or in additional units	
		12. Value in euros, cif at Community frontier	
13. Additional remarks			
14. Competent authority's endorsement Date : Signature: Stamp:			

15. ATTRIBUTIONS

Indicate the quantity available in part 1 of column 17 and the quantity attributed in part 2 thereof

16. Net quantity (net mass or other unit of measure stating the unit)		19. Customs document (form and number) or extract No and date of attribution	20. Name, Member State, stamp and signature of the attributing authority
17. In figures	18. In words for the quantity attributed		
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2.			
1.			
2.			

Extension pages to be attached hereto

APPENDIX III

1 Exporter (name, full address, country)	ORIGINAL		2 No	
	3 Year		4 Product group	
	EXPORT DOCUMENT (ECSC and EC steel products)			
5 Consignee (name, full address, country)	6 Country of origin		7 Country of destination	
	9 Supplementary details			
8 Place and date of shipment – means of transport				
10 Description of goods - manufacturer		11 CN code	12 Quantity ⁽¹⁾	13 Fob value ⁽²⁾
14 CERTIFICATION BY THE COMPETENT AUTHORITY				
15 Competent authority (name, full address, country)	At on (Signature) (Stamp)			

(1) Show net weight (kg) and also quantity in the unit prescribed where other than net weight.
 (2) In the currency of the sale contract.

(1) Show net weight (kg) and also quantity in the unit prescribed where other than net weight.
 (2) In the currency of the sale contract.

1 Exporter (name, full address, country)	COPY		2 No	
	3 Year		4 Product group	
	EXPORT DOCUMENT (ECSC and EC steel products)			
5 Consignee (name, full address, country)				
		6 Country of origin	7 Country of destination	
8 Place and date of shipment – means of transport		9 Supplementary details		
10 Description of goods - manufacturer		11 CN code	12 Quantity ⁽¹⁾	13 Fob value ⁽²⁾
14 CERTIFICATION BY THE COMPETENT AUTHORITY				
15 Competent authority (name, full address, country)		At on (Signature) (Stamp)		

APPENDIX IV

KAZAKHSTAN

Technical Annex on the double-checking system

1. The export documents shall measure 210 × 297 mm. The paper used shall be white writing paper, sized, not containing mechanical pulp, and weighing not less than 25 g/m². They shall be made out in English. If they are completed by hand, entries must be in ink and in printed script. These documents may comprise additional copies duly indicated as such. If the documents have several copies only the top copy is the original. This copy shall be clearly marked as 'original' and other copies as 'copies'. Only the original shall be accepted by the competent authorities of the Community as being valid for the control of export to the Community in accordance with the provisions of the double-checking system.

2. Each document shall bear a standardised serial number, whether or not printed, by which it can be identified. This number shall be composed of the following elements:

- two letters identifying the exporting country as follows: KZ = Kazakhstan,

- two letters identifying the intended Member State of customs clearance as follows:

DK	= Denmark
DE	= Germany
EL	= Greece
ES	= Spain
FR	= France
IE	= Ireland
IT	= Italy
LU	= Luxembourg
NL	= Netherlands
AT	= Austria
PT	= Portugal
FI	= Finland
SE	= Sweden
GB	= United Kingdom,

- a one-digit number identifying the year, corresponding to the last figure in the respective year, e.g. "2" for 2002,

- a two-digit number from 01 to 99, identifying the particular issuing office concerned in the exporting country,

- a five-digit number running consecutively from 00001 to 99999 allocated to the intended Member State of customs clearance.

3. The export documents shall be valid for the calendar year during which they are issued, as shown in Box N° 3 of the export document.

4. Since the importer needs to present the original export document when requesting an import document, export documents should, as far as possible, be issued in respect of individual commercial transactions, not global contracts.

5. Kazakhstan need not show price information on the export document, but that information is available to the Commission authorities on request.

6. Export documents may be issued after the shipment of the products to which they relate. In such cases they must bear the endorsement 'issued retrospectively'.

7. In the event of a theft, loss or destruction of an export document, the exporter may apply to the competent governmental authority which issued the document for a duplicate to be made out on the basis of the export documents in his possession. The duplicate of any such document so issued shall bear the endorsement 'duplicate'. The duplicate shall bear the date of the original export document.

8. The competent authorities of the Community shall be informed immediately of the withdrawal or modification of any export documents already issued and, where relevant, of the basis for such action.

FINANCIAL STATEMENT

1. Budget heading involved:

Chapter 12

2. Legal Basis:

Article 133 EC

3. Title of measure:

Agreement in the form of an Exchange of Letters between the European Community and the Republic of Kazakhstan establishing a double-checking system without quantitative limits in respect of the export of certain steel products covered by the EC and ECSC Treaties from the Republic of Kazakhstan to the European Community

4. Purpose:

To establish a double-checking system without quantitative limits in respect of the export of certain steel products covered by the EC and ECSC Treaties from the Republic of Kazakhstan to the European Community

5. Method of calculation:

The double-checking system without quantitative limitations has no financial implications for the Community budget