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Legislation

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EN

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II

(Non-legislative acts)

INTERNATIONAL AGREEMENTS

COUNCIL DECISION (EU) 2018/2024

of 22 May 2018

on the signing, on behalf of the European Union and its Member States, and provisional application of the Third Additional Protocol to the Economic Partnership, Political Coordination and Cooperation Agreement between the European Community and its Member States, of the one part, and the United Mexican States, of the other part, to take account of the accession of the Republic of Croatia to the European Union

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 91, Article 100(2), Articles 207 and 211, in conjunction with Article 218(5) thereof,

Having regard to the Act of Accession of the Republic of Croatia, and in particular Article 6(2) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) The Economic Partnership, Political Coordination and Cooperation Agreement between the European Community and its Member States, of the one part, and the United Mexican States, of the other part ⁽¹⁾ (the 'Global Agreement'), was signed on 8 December 1997 and entered into force on 1 October 2000.
- (2) In accordance with Article 6(2) of the Act of Accession of the Republic of Croatia, the accession of Croatia to the Global Agreement is to be agreed by means of a protocol to the Global Agreement concluded between the Council, acting unanimously on behalf of the Member States, and the United Mexican States.
- (3) On 14 September 2012, the Council authorised the Commission to open negotiations with the United Mexican States with a view to concluding the Third Additional Protocol to the Global Agreement to take account of the accession of the Republic of Croatia to the European Union (the 'Protocol'). The negotiations were successfully concluded.
- (4) Article 5(3) of the Protocol provides for its provisional application before its entry into force.
- (5) The Protocol should be signed and applied on a provisional basis, pending the completion of the procedures necessary for its entry into force,

HAS ADOPTED THIS DECISION:

Article 1

The signing on behalf of the Union and its Member States of the Third Additional Protocol to the Economic Partnership, Political Coordination and Cooperation Agreement between the European Community and its Member States, of the one part, and the United Mexican States, of the other part, to take account of the accession of the Republic of Croatia to the European Union, is hereby authorised, subject to the conclusion of the said Protocol.

The text of the Protocol is attached to this Decision.

⁽¹⁾ OJ L 276, 28.10.2000, p. 45.

Article 2

The President of the Council is hereby authorised to designate the person(s) empowered to sign the Protocol on behalf of the Union and its Member States.

Article 3

The Protocol shall be applied on a provisional basis in accordance with Article 5(3) thereof, pending the completion of the procedures necessary for its entry into force.

Article 4

This Decision shall enter into force on the date of its adoption.

Done at Brussels, 22 May 2018.

For the Council
The President
E. KARANIKOLOV

THIRD ADDITIONAL PROTOCOL

to the Economic Partnership, Political Coordination and Cooperation Agreement between the European Community and its Member States, of the one part, and the United Mexican States, of the other part, to take account of the accession of the Republic of Croatia to the European Union

THE KINGDOM OF BELGIUM,

THE REPUBLIC OF BULGARIA,

THE CZECH REPUBLIC,

THE KINGDOM OF DENMARK,

THE FEDERAL REPUBLIC OF GERMANY,

THE REPUBLIC OF ESTONIA,

IRELAND,

THE HELLENIC REPUBLIC,

THE KINGDOM OF SPAIN,

THE FRENCH REPUBLIC,

THE REPUBLIC OF CROATIA,

THE ITALIAN REPUBLIC,

THE REPUBLIC OF CYPRUS,

THE REPUBLIC OF LATVIA,

THE REPUBLIC OF LITHUANIA,

THE GRAND DUCHY OF LUXEMBOURG,

HUNGARY,

THE REPUBLIC OF MALTA,

THE KINGDOM OF THE NETHERLANDS,

THE REPUBLIC OF AUSTRIA,

THE REPUBLIC OF POLAND,

THE PORTUGUESE REPUBLIC,

ROMANIA,

THE REPUBLIC OF SLOVENIA,

THE SLOVAK REPUBLIC,

THE REPUBLIC OF FINLAND,

THE KINGDOM OF SWEDEN,

THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND,

Contracting Parties to the Treaty on European Union and the Treaty on the Functioning of the European Union, hereinafter referred to as the 'Member States', and

THE EUROPEAN UNION, hereinafter referred to as the 'Union',

of the one part, and

THE UNITED MEXICAN STATES, hereinafter referred to as 'Mexico',

of the other part,

hereinafter jointly referred to as the 'Parties',

WHEREAS the Economic Partnership, Political Coordination and Cooperation Agreement between the European Community and its Member States, of the one part, and the United Mexican States, of the other part, hereinafter referred to as the 'Agreement', was signed in Brussels on 8 December 1997 and entered into force on 1 October 2000;

WHEREAS the First Additional Protocol to the Agreement to take account of the accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, Hungary, the Republic of Malta, the Republic of Poland, the Republic of Slovenia and the Slovak Republic to the Union was signed in Mexico City on 2 April 2004 and in Brussels on 29 April 2004;

WHEREAS the Second Additional Protocol to the Agreement to take account of the accession of the Republic of Bulgaria and Romania to the Union was signed in Mexico City on 29 November 2006;

WHEREAS the Treaty concerning the Accession of the Republic of Croatia to the European Union, hereinafter referred to as the 'Treaty of Accession', was signed in Brussels on 9 December 2011 and entered into force on 1 July 2013;

WHEREAS pursuant to Article 6(2) of the Act of Accession of the Republic of Croatia attached to the Treaty of Accession, the accession of the Republic of Croatia to the Agreement is to be agreed by the conclusion of a protocol to the Agreement;

WHEREAS in accordance with Article 55 of the Agreement, for the purposes of the Agreement, 'the Parties' means, on the one hand, the Community or its Member States or the Community and its Member States, in accordance with their respective areas of competence, as derived from the Treaty establishing the European Community and, on the other hand, Mexico;

WHEREAS in accordance with Article 56 of the Agreement, the Agreement applies to the territory in which the Treaty establishing the European Community is applied under the conditions laid down in that Treaty, on the one hand, and to the territory of Mexico, on the other;

WHEREAS in accordance with Article 59 of the Agreement, the Agreement was drawn up in duplicate in the Danish, Dutch, English, Finnish, French, German, Greek, Italian, Portuguese, Spanish and Swedish languages, each of these texts being equally authentic;

WHEREAS the Agreement was authenticated in the Czech, Estonian, Hungarian, Latvian, Lithuanian, Maltese, Polish, Slovak and Slovenian language versions under the same conditions as the versions drawn up in the original languages of the Agreement;

WHEREAS the Agreement was authenticated in the Bulgarian and Romanian language versions under the same conditions as the versions drawn up in the original languages of the Agreement;

WHEREAS Article 5(3) of this Protocol provides for the provisional application of this Protocol by the Union and its Member States before they have completed their internal procedures required for its entry into force,

HAVE AGREED AS FOLLOWS:

Article 1

The Republic of Croatia is hereby incorporated as a Party to the Economic Partnership, Political Coordination and Cooperation Agreement between the European Community and its Member States, of the one part, and the United Mexican States, of the other part.

Article 2

1. After the signature of this Protocol, the Union shall transmit the Croatian language version of the Agreement to its Member States and to Mexico.
2. Subject to the entry into force of this Protocol, the Croatian language version shall become authentic under the same conditions as the Bulgarian, Czech, Danish, Dutch, English, Estonian, Finnish, French, German, Greek, Hungarian, Italian, Latvian, Lithuanian, Maltese, Polish, Portuguese, Romanian, Slovak, Slovenian, Spanish and Swedish language versions of the Agreement.

Article 3

This Protocol shall form an integral part of the Agreement.

Article 4

This Protocol is drawn up in duplicate in the Bulgarian, Croatian, Czech, Danish, Dutch, English, Estonian, Finnish, French, German, Greek, Hungarian, Italian, Latvian, Lithuanian, Maltese, Polish, Portuguese, Romanian, Slovak, Slovenian, Spanish and Swedish languages, each of these texts being equally authentic.

Article 5

1. This Protocol shall be signed and approved by the Parties in accordance with their respective internal procedures.
2. This Protocol shall enter into force on the first day of the month following the date on which the Parties have notified each other of the completion of the internal procedures necessary for that purpose.
3. Notwithstanding paragraph 2, the Parties agree that, pending the completion of the internal procedures of the Union and its Member States for the entry into force of this Protocol, they shall apply the provisions of this Protocol from the first day of the month following the date on which the Union and its Member States give notification of the completion of their internal procedures necessary for that purpose and Mexico gives notification of the completion of its internal procedures necessary for the entry into force of this Protocol.
4. Notifications shall be sent to the Secretary-General of the Council of the European Union who shall be the depositary of this Protocol.

IN WITNESS WHEREOF, the undersigned Plenipotentiaries, duly empowered to this effect, have signed this Protocol.

Съставено в Брюксел на двадесет и седми ноември две хиляди и осемнадесета година.

Hecho en Bruselas, el veintisiete de noviembre de dos mil dieciocho.

V Bruselu dne dvacátého sedmého listopadu dva tisíce osmnáct.

Udfærdiget i Bruxelles den syvogtyvende november to tusind og atten.

Geschehen zu Brüssel am siebenundzwanzigsten November zweitausendachtzehn.

Kahe tuhande kaheksateistkümnenda aasta novembrikuu kahekümne seitsmendal päeval Brüsselis.

Έγινε στις Βρυξέλλες, στις είκοσι εφτά Νοεμβρίου δύο χιλιάδες δεκαοκτώ.

Done at Brussels on the twenty-seventh day of November in the year two thousand and eighteen.

Fait à Bruxelles, le vingt-sept novembre deux mille dix-huit.

Sastavljeno u Bruxellesu dvadeset sedmog studenoga godine dvije tisuće osamnaeste.

Fatto a Bruxelles, addì ventisette novembre duemiladiciotto.

Briselē, divi tūkstoši astoņpadsmitā gada divdesmit septītajā novembrī.

Priimta du tūkstančiai aštuonioliktų metų lapkričio dvidešimt septintą dieną Briuselyje.

Kelt Brüsszelben, a kétezer-tizenhatalcadik év november havának huszonhatedik napján.

Magħmul fi Brussell, fis-sebgha u ghoxrin jum ta' Novembru fis-sena elfejn u tmintax.

Gedaan te Brussel, zevenentwintig november tweeduizend achttien.

Sporządzono w Brukseli dnia dwudziestego siódmego listopada roku dwa tysiące osiemnastego.

Feito em Bruxelas, em vinte e sete de novembro de dois mil e dezoito.

Íntocmit la Bruxelles la douăzeci și șapte noiembrie două mii optsprezece.

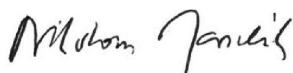
V Bruseli dvadsiateho siedmeho novembra dvetisícosemnást.

V Bruslju, dne sedemindvajsetega novembra leta dva tisoč osemnajst.

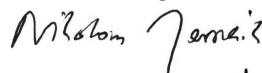
Tehty Brysselissä kahdentenäkymmenentenäseitsemäntenä päivänä marraskuuta vuonna kaksituhattakahdeksantoista.

Som skedde i Bryssel den tjugosjunde november år tjugohundraarton.

За държавите членки
 Por los Estados miembros
 Za členské státy
 For medlemsstaterne
 Für die Mitgliedstaaten
 Liikmesriikide nimel
 Για τα κράτη μέλη
 For the Member States
 Pour les États membres
 Za države članice
 Per gli Stati membri
 Dalībvalstu vārdā –
 Valstybių narių vardu
 A tagállamok részéről
 Ghall-Istati Membri
 Voor de lidstaten
 W imieniu Państw Członkowskich
 Pelos Estados-Membros
 Pentru statele membre
 Za členské štáty
 Za države članice
 Jäsenvaltioiden puolesta
 För medlemsstaterna



За Европейския съюз
 Por la Unión Europea
 Za Evropskou unii
 For Den Europæiske Union
 Für die Europäische Union
 Euroopa Liidu nimel
 Για την Ευρωπαϊκή Ένωση
 For the European Union
 Pour l'Union européenne
 Za Europsku uniju
 Per l'Unione europea
 Eiropas Savienības vārdā –
 Europos Sąjungos vardu
 Az Európai Unió részéről
 Ghall-Unjoni Ewropea
 Voor de Europese Unie
 W imieniu Unii Europejskiej
 Pela União Europeia
 Pentru Uniunea Europeană
 Za Európsku úniu
 Za Evropsko unijo
 Euroopan unionin puolesta
 För Europeiska unionen



Hall wa.

За Мексиканските съединени щати
 Por los Estados Unidos Mexicanos
 Za Spojené státy mexické
 For De Forenede Mexicanske Stater
 Für die Vereinigten Mexikanischen Staaten
 Mehhiko Ühendriikide nimel
 Για τις Ηνωμένες Πολιτείες του Μεξικού
 For the United Mexican States
 Pour les États-Unis mexicains
 Za Sjedinjene Meksičke Države
 Per gli Stati Uniti messicani
 Meksikas Savienoto Valstu vārdā –
 Meksikos Jungtinių Valstijų vardu
 A Mexikói Egyesült Államok részéről
 Ghall-Istati Uniti Messikani
 Voor de Verenigde Mexicaanse Staten
 W imieniu Meksykańskich Stanów Zjednoczonych
 Pelos Estados Unidos Mexicanos
 Pentru Statele Unite Mexicane
 Za Spojené štáty mexické
 Za Združene mehiške države
 Meksikon yhdysvaltojen puolesta
 För Mexikos förenta stater



REGULATIONS

COUNCIL REGULATION (EU) 2018/2025

of 17 December 2018

fixing for 2019 and 2020 the fishing opportunities for Union fishing vessels for certain deep-sea fish stocks

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 43(3) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) Article 43(3) of the Treaty provides that the Council, on a proposal from the Commission, is to adopt measures on the fixing and allocation of fishing opportunities.
- (2) Regulation (EU) No 1380/2013 of the European Parliament and of the Council ⁽¹⁾ requires that conservation measures be adopted taking into account available scientific, technical and economic advice, including, where relevant, reports drawn up by the Scientific, Technical and Economic Committee for Fisheries (STECF).
- (3) It is incumbent upon the Council to adopt measures on the fixing and allocation of fishing opportunities, including certain conditions functionally linked thereto, as appropriate. Fishing opportunities should be distributed among Member States in such a way as to assure each Member State relative stability of fishing activities for each stock or fishery and having due regard to the objectives of the common fisheries policy (CFP) established by Regulation (EU) No 1380/2013.
- (4) The total allowable catches ("TACs") should be established on the basis of available scientific advice, taking into account biological and socioeconomic aspects whilst ensuring fair treatment between fishing sectors, as well as in the light of the opinions expressed during the consultation of stakeholders, and in particular the advisory councils concerned.
- (5) Where a TAC relating to a stock is allocated to one Member State only, it is appropriate to empower that Member State in accordance with Article 2(1) of the Treaty to determine the level of such TAC. Provisions should be made to ensure that, when fixing that TAC level, the Member State concerned acts in a manner fully consistent with the principles and rules of the CFP.
- (6) Council Regulation (EC) No 847/96 ⁽²⁾ introduced additional conditions for year-to-year management of TACs, including, under Articles 3 and 4 of that Regulation, flexibility provisions for precautionary and analytical TACs. Under Article 2 of that Regulation, when fixing the TACs, the Council is to decide to which stocks Article 3 or 4 of that Regulation is not to apply, in particular on the basis of the biological status of the stocks. More recently, a further year-to-year flexibility mechanism was introduced by Article 15(9) of Regulation (EU) No 1380/2013 for all stocks that are subject to the landing obligation. Therefore, in order to avoid excessive flexibility that would undermine the principle of rational and responsible exploitation of marine biological resources, hinder the achievement of the objectives of the CFP and result in the deterioration of the biological status of the stocks, it should be established that Articles 3 and 4 of Regulation (EC) No 847/96 apply to analytical TACs only where the year-to-year flexibility provided for in Article 15(9) of Regulation (EU) No 1380/2013 is not used.
- (7) The landing obligation referred to in Article 15 of Regulation (EU) No 1380/2013 is introduced on a fishery-by-fishery basis. In the regions covered by this Regulation, all species subject to catch limits should be landed as of 1 January 2019. Article 16(2) of Regulation (EU) No 1380/2013 provides that, when the landing obligation in respect of a fish stock is introduced, fishing opportunities are to be fixed taking into account the change from

⁽¹⁾ Regulation (EU) No 1380/2013 of the European Parliament and of the Council of 11 December 2013 on the Common Fisheries Policy, amending Council Regulations (EC) No 1954/2003 and (EC) No 1224/2009 and repealing Council Regulations (EC) No 2371/2002 and (EC) No 639/2004 and Council Decision 2004/585/EC (OJ L 354, 28.12.2013, p. 22).

⁽²⁾ Council Regulation (EC) No 847/96 of 6 May 1996 introducing additional conditions for year-to-year management of TACs and quotas (OJ L 115, 9.5.1996, p. 3).

fixing fishing opportunities that reflect landings to fixing fishing opportunities that reflect catches. However, specific exemptions from the landing obligation are granted in accordance with Article 15(4) to (7) of that Regulation. On the basis of the joint recommendations submitted by the Member States and in accordance with Article 15 of that Regulation, the Commission adopted a number of delegated regulations laying down specific discard plans applicable for an initial period of no more than three years, renewable for a further total period of three years, implementing the landing obligation.

- (8) Fishing opportunities should be in accordance with international agreements and principles, such as the 1995 United Nations agreement concerning the conservation and management of straddling stocks and highly migratory fish stocks ⁽¹⁾, and the detailed management principles laid down in the 2008 International Guidelines for the Management of Deep-sea Fisheries in the High Seas of the Food and Agriculture Organisation of the United Nations, according to which, in particular, a regulator should be more cautious when information is uncertain, unreliable or inadequate. The absence of adequate scientific information should not be used as a reason for postponing or failing to take conservation and management measures.
- (9) The TAC and the Union quota for black scabbardfish in Union and international waters of 5, 6, 7 and 12 should be set taking into account that there are third-country catches from that stock and that the Union should have fishing opportunities corresponding to the share of historic catches from that stock.
- (10) In view of the International Council for the Exploration of the Sea (ICES) advice concerning a decrease in fishing opportunities, given a high quota uptake and in the light of the introduction of the full landing obligation in 2019, directed fisheries should not be allowed for alfonosinos in subareas 3 to 10, 12 and 14 (North Sea, North- and South-Western waters) and the TAC should be set for bycatches only.
- (11) According to the advice provided by ICES, limited on-board observations show that the percentage of roughhead grenadier has been less than 1 % of the reported catches of roundnose grenadier. On the basis of those considerations, ICES advises that there should be no directed fisheries for roughhead grenadier and that bycatches should be counted against the TAC for roundnose grenadier in order to minimise the potential for species misreporting. ICES indicates that there are considerable differences, of more than one order of magnitude (more than ten times), between the relative proportions of roundnose and roughhead grenadier reported in the official landings and the observed catches and scientific surveys in the areas where the fishery for roughhead grenadier currently occurs. There is very limited data available for this species, and some of the reported landing data are considered by ICES to be species misreporting. As a consequence, it is not possible to establish an accurate historical record of catches of roughhead grenadier. Therefore, any bycatches for roughhead grenadier should be limited to 1 % of each Member State's quota of roundnose grenadier and counted against that quota, in line with the scientific advice. If roughhead grenadier is considered a bycatch only to roundnose grenadier and belongs to the same TAC there will no longer be any misreporting.
- (12) In view of the ICES advice, it is appropriate that the TAC for red seabream in ICES subareas 6, 7 and 8 (North-Western waters) be kept as a bycatch-only TAC.
- (13) Catches of red seabream are taken from the relevant Fishery Committee for the Eastern Central Atlantic (CECAF) and General Fisheries Commission for the Mediterranean (GFCM) areas, which border on ICES subarea 9. Given that ICES data for those adjacent areas are incomplete, the scope of the TAC should remain limited to ICES subarea 9. Nevertheless, with a view to ensuring that management decisions are made on the best available basis, provisions have been made for data reporting for those adjacent areas.
- (14) For red seabream in ICES subarea 10, no ICES advice has been provided for 2020. However, fishing opportunities should be set for both 2019 and 2020. It is possible that an appropriate amendment to the fishing opportunities established by this Regulation will be needed when the scientific advice is issued for 2020.
- (15) In view of the low uptake and the fact that no targeted fishing is taking place, the TAC for black scabbardfish in ICES subareas 1 to 4 (North Sea and Skagerrak) should no longer be set.
- (16) The TACs for roundnose grenadier in ICES subareas 1, 2 and 4 (North Sea) and greater forkbeard in ICES subareas 1 to 10, 12 and 14 should no longer be set. The ICES advice establishes that the absence of TACs would result in no or a low risk of unsustainable exploitation.

⁽¹⁾ Agreement on the implementation of the provisions of the United Nations Convention on the Law of the Sea of 10 December 1982 relating to the conservation and management of straddling fish stocks and highly migratory fish stocks (OJ L 189, 3.7.1998, p. 16).

- (17) ICES advises that there should be no catches of orange roughy until 2020. It is appropriate for the fishing, retaining on board, transshipping and landing of that species to be prohibited, as the stock is depleted and is not recovering. ICES notes that there have been no directed Union fisheries for orange roughy in the North-East Atlantic since 2010.
- (18) ICES advises that the fishing mortality of deep-sea sharks should be minimised and no targeted fishing should be permitted. The deep-sea sharks are long-lived species with low reproductive rates and have quickly become overexploited. Fishing opportunities for such species should therefore be fully restricted through a general prohibition on fishing those species. However, directed artisanal deep-sea fisheries for black scabbardfish that use longlines have unavoidable bycatches of deep-sea sharks, which are currently discarded dead. Longlines are recognised as a selective fishing gear in such fisheries. Even with this gear, however, accidental bycatches of deep-sea sharks have proved to be unavoidable. Therefore, a restrictive TAC for unavoidable bycatches of those species in directed fisheries for black scabbardfish that use longlines should be maintained. The Member States concerned should further develop regional management measures for the fishing of black scabbardfish with a view to reducing bycatches of deep-sea sharks. In addition, they should establish specific data-collection measures for deep-sea sharks in order to ensure that those stocks are closely monitored. Fixing a Union bycatch allowance for deep-sea sharks in Union and international waters of ICES subareas 5 to 9, in Union and international waters of ICES subarea 10 and in Union waters of CECAF 34.1.1, 34.1.2 and 34.2 is without prejudice to the principle of relative stability as regards deep-sea sharks in those areas.
- (19) In order to avoid the interruption of fishing activities and to ensure the livelihood of the fishermen of the Union, this Regulation should apply from 1 January 2019. In order to allow the Member States to ensure a timely application of this Regulation, it should enter into force immediately after its publication,

HAS ADOPTED THIS REGULATION:

Article 1

Subject matter

This Regulation fixes for the years 2019 and 2020 the annual fishing opportunities available to Union fishing vessels for fish stocks of certain deep-sea species in Union waters and in certain non-Union waters where catch limits are required.

Article 2

Definitions

1. For the purposes of this Regulation, the definitions referred to in Article 4 of Regulation (EU) No 1380/2013 shall apply. In addition, the following definitions apply:

- (a) 'total allowable catch' (TAC) means:
- (i) in fisheries subject to the exemption of the landing obligation referred to in Article 15(4) to (7) of Regulation (EU) No 1380/2013, the quantity of fish that can be landed from each stock each year;
 - (ii) in all other fisheries, the quantity of fish that can be caught from each stock each year;
- (b) 'quota' means a proportion of the TAC allocated to the Union or a Member State;
- (c) 'international waters' means waters falling outside the sovereignty or jurisdiction of any State;
- (d) 'analytical assessment' means quantitative evaluations of trends in a given stock, based on data about the stock's biology and exploitation, which scientific review has indicated to be of sufficient quality to provide scientific advice on options for future catches.

2. For the purposes of this Regulation, the following zone definitions shall apply:

- (a) ICES (International Council for the Exploration of the Sea) zones are the geographical areas specified in Annex III to Regulation (EC) No 218/2009 of the European Parliament and of the Council ⁽¹⁾;
- (b) CECAF (Committee for Eastern Central Atlantic Fisheries) zones are the geographical areas specified in Annex II to Regulation (EC) No 216/2009 of the European Parliament and of the Council ⁽²⁾.

⁽¹⁾ Regulation (EC) No 218/2009 of the European Parliament and of the Council of 11 March 2009 on the submission of nominal catch statistics by Member States fishing in the north-east Atlantic (OJ L 87, 31.3.2009, p. 70).

⁽²⁾ Regulation (EC) No 216/2009 of the European Parliament and of the Council of 11 March 2009 on the submission of nominal catch statistics by Member States fishing in certain areas other than those of the North Atlantic (OJ L 87, 31.3.2009, p. 1).

*Article 3***TACs and allocations**

The TACs for deep-sea species caught by Union fishing vessels in Union waters or in certain non-Union waters, the allocation of such TACs among Member States and the conditions functionally linked thereto, where appropriate, are set out in the Annex.

*Article 4***TACs to be determined by Member States**

1. The TAC for black scabbardfish in CECAF 34.1.2 shall be determined by Portugal.
2. The TAC to be determined by Portugal shall:
 - (a) be consistent with the principles and rules of the common fisheries policy, in particular the principle of the sustainable exploitation of the stock; and
 - (b) result:
 - (i) if an analytical assessment is available, in the exploitation of the stock consistent with maximum sustainable yield from 2019 onwards, with as high a probability as possible; or
 - (ii) if an analytical assessment is unavailable or incomplete, in the exploitation of the stock consistent with the precautionary approach to fisheries management.
3. By 15 March in each year of the application of this Regulation, Portugal shall submit the following information to the Commission:
 - (a) the TAC adopted;
 - (b) the data collected and assessed by Portugal on which the TAC adopted is based;
 - (c) details on how the TAC adopted complies with paragraph 2.

*Article 5***Special provisions on the allocation of fishing opportunities**

1. The allocation of fishing opportunities among Member States as set out in this Regulation shall be without prejudice to:
 - (a) exchanges made pursuant to Article 16(8) of Regulation (EU) No 1380/2013;
 - (b) deductions and reallocations made pursuant to Article 37 of Council Regulation (EC) No 1224/2009 ⁽¹⁾;
 - (c) reallocations made pursuant to Article 12(7) of Regulation (EU) 2017/2403 of the European Parliament and of the Council ⁽²⁾;
 - (d) additional landings allowed under Article 3 of Regulation (EC) No 847/96 and 15(9) of Regulation (EU) No 1380/2013;
 - (e) quantities withheld in accordance with Article 4 of Regulation (EC) No 847/96 and Article 15(9) of Regulation (EU) No 1380/2013;
 - (f) deductions made pursuant to Articles 105, 106 and 107 of Regulation (EC) No 1224/2009.
2. Stocks which are subject to precautionary or analytical TACs are identified in the Annex to this Regulation for the purposes of the year-to-year management of TACs and quotas provided for in Regulation (EC) No 847/96.
3. Article 3 of Regulation (EC) No 847/96 shall apply to stocks subject to precautionary TACs, whereas Article 3(2) and (3) and Article 4 of that Regulation shall apply to stocks subject to analytical TACs, except where otherwise specified in the Annex to this Regulation.
4. Articles 3 and 4 of Regulation (EC) No 847/96 shall not apply where a Member State uses the year-to-year flexibility provided for in Article 15(9) of Regulation (EU) No 1380/2013.

⁽¹⁾ Council Regulation (EC) No 1224/2009 of 20 November 2009 establishing a Union control system for ensuring compliance with the rules of the common fisheries policy, amending Regulations (EC) No 847/96, (EC) No 2371/2002, (EC) No 811/2004, (EC) No 768/2005, (EC) No 2115/2005, (EC) No 2166/2005, (EC) No 388/2006, (EC) No 509/2007, (EC) No 676/2007, (EC) No 1098/2007, (EC) No 1300/2008, (EC) No 1342/2008 and repealing Regulations (EEC) No 2847/93, (EC) No 1627/94 and (EC) No 1966/2006 (OJ L 343, 22.12.2009, p. 1).

⁽²⁾ Regulation (EU) 2017/2403 of the European Parliament and of the Council of 12 December 2017 on the sustainable management of external fishing fleets, and repealing Council Regulation (EC) No 1006/2008 (OJ L 347, 28.12.2017, p. 81).

*Article 6***Conditions for landing catches and bycatches**

Catches that are not subject to the landing obligation established in Article 15 of Regulation (EU) No 1380/2013 shall be retained on board or landed only if they:

- (a) have been taken by vessels flying the flag of a Member State having a quota and that quota has not been exhausted; or
- (b) consist of a share in a Union quota which has not been allocated by quota among Member States, and that Union quota has not been exhausted.

*Article 7***Prohibition**

1. It shall be prohibited for Union fishing vessels to fish for orange roughy (*Hoplostethus atlanticus*) in Union and international waters of ICES subareas 1 to 10, 12 and 14, and to retain on board, to tranship or to land orange roughy caught in that area.
2. It shall be prohibited for Union fishing vessels to fish for deep-sea sharks in ICES subareas 5 to 9, in Union and international waters of ICES subarea 10, in international waters of ICES subarea 12 and in Union waters of CECAF 34.1.1, 34.1.2 and 34.2 and to retain on board, tranship, relocate or land deep-sea sharks caught in those areas, with the exception of cases where TACs apply for bycatches in fisheries for black scabbardfish that use longlines as set out in the Annex.

*Article 8***Data transmission**

When, pursuant to Articles 33 and 34 of Regulation (EC) No 1224/2009, Member States submit to the Commission data relating to landings of quantities of stocks caught, they shall use the stock codes set out in the Annex to this Regulation.

*Article 9***Entry into force**

This Regulation shall enter into force on the date following that of its publication in the *Official Journal of the European Union*.

It shall apply from 1 January 2019.

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

Done at Brussels, 17 December 2018.

For the Council
The President
E. KÖSTINGER

ANNEX

The references to fishing zones are references to ICES zones, unless otherwise specified.

PART 1

Definition of species and species groups

1. In the list set out in Part 2 of this Annex, fish stocks are referred to following the alphabetical order of the Latin names of the species. However, the deep-sea sharks are placed at the beginning of that list. For the purposes of this Regulation, the following comparative table of common names and Latin names is provided:

Common name	Alpha-3 code	Scientific name
Black scabbardfish	BSF	<i>Aphanopus carbo</i>
Alfonsinos	ALF	<i>Beryx</i> spp.
Roundnose grenadier	RNG	<i>Coryphaenoides rupestris</i>
Roughhead grenadier	RHG	<i>Macrourus berglax</i>
Red seabream	SBR	<i>Pagellus bogaraveo</i>

2. For the purposes of this Regulation, 'deep-sea sharks' means the following list of species:

Common name	Alpha-3 code	Scientific name
Deep-water catsharks	API	<i>Apristurus</i> spp.
Fripped shark	HXC	<i>Chlamydoselachus anguineus</i>
Gulper shark	CWO	<i>Centrophorus</i> spp.
Portuguese dogfish	CYO	<i>Centroscymnus coelolepis</i>
Longnose velvet dogfish	CYP	<i>Centroscymnus crepidater</i>
Black dogfish	CFB	<i>Centroscyllium fabricii</i>
Birdbeak dogfish	DCA	<i>Deania calcea</i>
Kitefin shark	SCK	<i>Dalatias licha</i>
Great lanternshark	ETR	<i>Etmopterus princeps</i>
Velvet belly	ETX	<i>Etmopterus spinax</i>
Mouse catshark	GAM	<i>Galeus murinus</i>
Bluntnose sixgill shark	SBL	<i>Hexanchus griseus</i>
Sailfin roughshark (Sharpback shark)	OXN	<i>Oxynotus paradoxus</i>
Knifetooth dogfish	SYR	<i>Scymnodon ringens</i>
Greenland shark	GSK	<i>Somniosus microcephalus</i>

PART 2

Annual fishing opportunities (in tonnes live weight)

Species: Deep-sea sharks			Zone: Union and international waters of 5, 6, 7, 8 and 9 (DWS/56789-)
Year	2019	2020	
Union	7 ⁽¹⁾	7 ⁽¹⁾	
TAC	7 ⁽¹⁾	7 ⁽¹⁾	Precautionary TAC Article 3 of Regulation (EC) No 847/96 shall not apply

⁽¹⁾ Exclusively for bycatches in fisheries for black scabbardfish that use longlines. No directed fisheries are permitted under this quota.

Species: Deep-sea sharks			Zone: Union and international waters of 10 (DWS/10-)
Year	2019	2020	
Portugal	7 ⁽¹⁾	7 ⁽¹⁾	
Union	7 ⁽¹⁾	7 ⁽¹⁾	
TAC	7 ⁽¹⁾	7 ⁽¹⁾	Precautionary TAC Article 3 of Regulation (EC) No 847/96 shall not apply

⁽¹⁾ Exclusively for bycatches in fisheries for black scabbardfish that use longlines. No directed fisheries are permitted under this quota.

Species: Deep-sea sharks			Zone: Union waters of CECAF 34.1.1, 34.1.2 and 34.2 (DWS/F3412C)
Year	2019	2020	
Union	7 ⁽¹⁾	7 ⁽¹⁾	
TAC	7 ⁽¹⁾	7 ⁽¹⁾	Precautionary TAC Article 3 of Regulation (EC) No 847/96 shall not apply

⁽¹⁾ Exclusively for bycatches in fisheries for black scabbardfish that use longlines. No directed fisheries are permitted under this quota.

Species:	Black scabbardfish <i>Aphanopus carbo</i>		Zone:	Union and international waters of 5, 6, 7 and 12 (BSF/56712-)
Year	2019	2020		
Germany	28	28		
Estonia	14	14		
Ireland	71	71		
Spain	140	140		
France	1 976	1 976		
Latvia	92	92		
Lithuania	1	1		
Poland	1	1		
United Kingdom	140	140		
Others	7 ⁽¹⁾	7 ⁽¹⁾		
Union	2 470	2 470		
TAC	2 470	2 470		Precautionary TAC

⁽¹⁾ Exclusively for bycatches. No directed fisheries are permitted under this quota.

Species:	Black scabbardfish <i>Aphanopus carbo</i>		Zone:	Union and international waters of 8, 9 and 10 (BSF/8910-)
Year	2019	2020		
Spain	9	9		
France	22	22		
Portugal	2 801	2 801		
Union	2 832	2 832		
TAC	2 832	2 832		Precautionary TAC

Species:	Black scabbardfish <i>Aphanopus carbo</i>		Zone:	Union and international waters of CECAF 34.1.2 (BSF/C3412-)
Year	2019	2020		
Portugal	To be established	To be established		
Union	To be established ⁽¹⁾	To be established ⁽¹⁾		
TAC	To be established ⁽¹⁾	To be established ⁽¹⁾		Precautionary TAC Article 4 of this Regulation applies.

⁽¹⁾ Established at the same quantity as the quota for Portugal.

Species:	Alfonsinos <i>Beryx</i> spp.		Zone:	Union and international waters of 3, 4, 5, 6, 7, 8, 9, 10, 12 and 14 (ALF/3X14-)
Year	2019	2020		
Ireland	8 ⁽¹⁾	8 ⁽¹⁾		
Spain	57 ⁽¹⁾	57 ⁽¹⁾		
France	15 ⁽¹⁾	15 ⁽¹⁾		
Portugal	164 ⁽¹⁾	164 ⁽¹⁾		
United Kingdom	8 ⁽¹⁾	8 ⁽¹⁾		
Union	252 ⁽¹⁾	252 ⁽¹⁾		
TAC	252 ⁽¹⁾	252 ⁽¹⁾		Precautionary TAC

⁽¹⁾ Exclusively for bycatches. No directed fisheries are permitted under this quota.

Species:	Roundnose grenadier <i>Coryphaenoides rupestris</i>		Zone:	Union and international waters of 3 (RNG/03-)
Year	2019	2020		
Denmark	48 ⁽¹⁾ ⁽²⁾	48 ⁽¹⁾ ⁽²⁾		
Germany	0 ⁽¹⁾ ⁽²⁾	0 ⁽¹⁾ ⁽²⁾		
Sweden	2 ⁽¹⁾ ⁽²⁾	2 ⁽¹⁾ ⁽²⁾		
Union	50 ⁽¹⁾ ⁽²⁾	50 ⁽¹⁾ ⁽²⁾		
TAC	50 ⁽¹⁾ ⁽²⁾	50 ⁽¹⁾ ⁽²⁾		Precautionary TAC

⁽¹⁾ Exclusively for bycatches. No directed fisheries are permitted under this quota.

⁽²⁾ No directed fisheries of roughhead grenadier are permitted. Bycatches of roughhead grenadier (RHG/03-) shall be counted against this quota. They may not exceed 1 % of the quota.

Species: Roundnose grenadier <i>Coryphaenoides rupestris</i>		Zone: Union and international waters of 5b, 6 and 7 (RNG/5B67-)
Year	2019	2020
Germany	5 ⁽¹⁾ ⁽²⁾	5 ⁽¹⁾ ⁽²⁾
Estonia	37 ⁽¹⁾ ⁽²⁾	37 ⁽¹⁾ ⁽²⁾
Ireland	166 ⁽¹⁾ ⁽²⁾	166 ⁽¹⁾ ⁽²⁾
Spain	41 ⁽¹⁾ ⁽²⁾	41 ⁽¹⁾ ⁽²⁾
France	2 108 ⁽¹⁾ ⁽²⁾	2 108 ⁽¹⁾ ⁽²⁾
Lithuania	48 ⁽¹⁾ ⁽²⁾	48 ⁽¹⁾ ⁽²⁾
Poland	24 ⁽¹⁾ ⁽²⁾	24 ⁽¹⁾ ⁽²⁾
United Kingdom	124 ⁽¹⁾ ⁽²⁾	124 ⁽¹⁾ ⁽²⁾
Others	5 ⁽¹⁾ ⁽²⁾ ⁽³⁾	5 ⁽¹⁾ ⁽²⁾ ⁽³⁾
Union	2 558 ⁽¹⁾ ⁽²⁾	2 558 ⁽¹⁾ ⁽²⁾
TAC	2 558 ⁽¹⁾ ⁽²⁾	2 558 ⁽¹⁾ ⁽²⁾

Precautionary TAC

⁽¹⁾ A maximum of 10 % of each quota may be fished in Union and international waters of 8, 9, 10, 12 and 14 (RNG/*8X14- for roundnose grenadier; RHG/*8X14- for roughhead grenadier bycatches).

⁽²⁾ No directed fisheries of roughhead grenadier are permitted. Bycatches of roughhead grenadier (RHG/5B67-) shall be counted against this quota. They may not exceed 1 % of the quota.

⁽³⁾ Exclusively for bycatches. No directed fisheries are permitted.

Species: Roundnose grenadier <i>Coryphaenoides rupestris</i>		Zone: Union and international waters of 8, 9, 10, 12 and 14 (RNG/8X14-)
Year	2019	2020
Germany	15 ⁽¹⁾ ⁽²⁾	15 ⁽¹⁾ ⁽²⁾
Ireland	3 ⁽¹⁾ ⁽²⁾	3 ⁽¹⁾ ⁽²⁾
Spain	1 638 ⁽¹⁾ ⁽²⁾	1 638 ⁽¹⁾ ⁽²⁾
France	76 ⁽¹⁾ ⁽²⁾	76 ⁽¹⁾ ⁽²⁾
Latvia	26 ⁽¹⁾ ⁽²⁾	26 ⁽¹⁾ ⁽²⁾
Lithuania	3 ⁽¹⁾ ⁽²⁾	3 ⁽¹⁾ ⁽²⁾
Poland	513 ⁽¹⁾ ⁽²⁾	513 ⁽¹⁾ ⁽²⁾
United Kingdom	7 ⁽¹⁾ ⁽²⁾	7 ⁽¹⁾ ⁽²⁾
Union	2 281 ⁽¹⁾ ⁽²⁾	2 281 ⁽¹⁾ ⁽²⁾
TAC	2 281 ⁽¹⁾ ⁽²⁾	2 281 ⁽¹⁾ ⁽²⁾

Precautionary TAC

⁽¹⁾ A maximum of 10 % of each quota may be fished in Union and international waters of 5b, 6, 7 (RNG/*5B67- for roundnose grenadier; RHG/*5B67- for roughhead grenadier bycatches).

⁽²⁾ No directed fisheries of roughhead grenadier are permitted. Bycatches of roughhead grenadier (RHG/8X14-) shall be counted against this quota. They may not exceed 1 % of the quota.

Species:	Red seabream <i>Pagellus bogaraveo</i>		Zone:	Union and international waters of 6, 7 and 8 (SBR/678-)
Year	2019	2020		
Ireland	3 ⁽¹⁾	3 ⁽¹⁾		
Spain	94 ⁽¹⁾	84 ⁽¹⁾		
France	5 ⁽¹⁾	4 ⁽¹⁾		
United Kingdom	12 ⁽¹⁾	11 ⁽¹⁾		
Others	3 ⁽¹⁾	3 ⁽¹⁾		
Union	117 ⁽¹⁾	105 ⁽¹⁾		
TAC	117 ⁽¹⁾	105 ⁽¹⁾		Precautionary TAC

⁽¹⁾ Exclusively for bycatches. No directed fisheries are permitted under this quota.

Species:	Red seabream <i>Pagellus bogaraveo</i>		Zone:	Union and international waters of 9 ⁽¹⁾ (SBR/9-)
Year	2019	2020		
Spain	117	117		
Portugal	32	32		
Union	149	149		
TAC	149	149		Precautionary TAC

⁽¹⁾ Catches in the GFCM area 37.1.1 shall nevertheless be reported (SBR/F3711). Catches in the CECAF area 34.1.11 shall nevertheless be reported (SBR/F34111).

Species:	Red seabream <i>Pagellus bogaraveo</i>		Zone:	Union and international waters of 10 (SBR/10-)
Year	2019	2020		
Spain	5	5		
Portugal	566	566		
United Kingdom	5	5		
Union	576	576		
TAC	576	576		Precautionary TAC

COMMISSION REGULATION (EU) 2018/2026**of 19 December 2018****amending Annex IV to Regulation (EC) No 1221/2009 of the European Parliament and of the Council on the voluntary participation by organisations in a Community eco-management and audit scheme (EMAS)****(Text with EEA relevance)**

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EC) No 1221/2009 of the European Parliament and of the Council of 25 November 2009 on the voluntary participation by organisations in a Community eco-management and audit scheme (EMAS), repealing Regulation (EC) No 761/2001 and Commission Decisions 2001/681/EC and 2006/193/EC⁽¹⁾, and in particular Article 48 thereof.

Whereas:

- (1) An eco-management and audit scheme (EMAS) has been established under Regulation (EC) No 1221/2009. The objective of EMAS is to promote continuous improvements in the environmental performance of organisations by the establishment and implementation of environmental management systems by organisations, evaluation of the performance of such systems, provision of information on environmental performance, an open dialogue with the public and other interested parties and the active involvement of employees. To achieve this objective, Annexes I to IV to that Regulation set out specific requirements to be observed by those organisations wishing to participate in EMAS and obtain EMAS registration.
- (2) Annex IV to Regulation (EC) No 1221/2009 sets out the requirements on environmental reporting. That Annex should be amended to address improvements identified in the light of experience gained in the operation of EMAS. Given the number and nature of these amendments, it is appropriate to replace Annex IV in its entirety in the interests of clarity.
- (3) Regulation (EC) No 1221/2009 should therefore be amended accordingly.
- (4) Organisations registered under EMAS are required either to prepare or update an environmental statement in accordance with Annex IV to Regulation (EC) No 1221/2009 on a yearly basis. Except in the case of small organisations exempted under Article 7 of that Regulation, the environmental statement or updated environmental statement has to be validated by an accredited or licensed environmental verifier as part of the verification of that organisation in accordance with Article 18 of that Regulation. Organisations preparing for registration under EMAS are also required to submit a validated environmental statement as part of their application for registration. A transitional period is therefore needed to provide organisations with sufficient time to address the transition to the changes made by this Regulation.
- (5) The measures provided for in this Regulation are in accordance with the opinion of the Committee established by Article 49 of Regulation (EC) No 1221/2009,

HAS ADOPTED THIS REGULATION:

Article 1

Annex IV to Regulation (EC) No 1221/2009 is replaced by the text in the Annex to this Regulation.

Article 2

If the validation of an environmental statement or updated environmental statement is due to be carried out under Regulation (EC) No 1221/2009 after the date of entry into force of this Regulation but before 9 January 2020, the statement may on that occasion, in agreement with the environmental verifier and the Competent Body, be validated disregarding the amendment made by Article 1 of this Regulation.

If a non-validated updated environmental statement is due to be forwarded to a Competent Body under Article 7(3) of Regulation (EC) No 1221/2009 after the date of entry into force of this Regulation but before 9 January 2020, the statement may on that occasion, in agreement with the Competent Body, be prepared disregarding the amendment made by Article 1 of this Regulation.

⁽¹⁾ OJ L 342, 22.12.2009, p. 1.

Article 3

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

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

Done at Brussels, 19 December 2018.

For the Commission
The President
Jean-Claude JUNCKER

ANNEX

'ANNEX IV

ENVIRONMENTAL REPORTING**A. Introduction**

Environmental information shall be presented in a clear and coherent manner and should preferably be available in electronic form. The organisation shall determine the best format to make this information available to their interested parties in a user-friendly way.

B. Environmental statement

The environmental statement shall contain at least the elements and shall meet the minimum requirements as set out below.

- (a) a summary of the organisation's activities, products and services, the organisation's relationship to any parent organisations as appropriate and a clear and unambiguous description of the scope of the EMAS registration including a list of the sites included in this registration;
- (b) the environmental policy and a brief description of the governance structure supporting the environmental management system of the organisation;
- (c) a description of all the significant direct and indirect environmental aspects which result in significant environmental impacts of the organisation, a brief description of the approach used to determine their significance and an explanation of the nature of the impacts as related to these aspects;
- (d) a description of the environmental objectives and targets in relation to the significant environmental aspects and impacts;
- (e) a description of the actions implemented and planned to improve environmental performance, achieve the objectives and targets and ensure compliance with legal requirements related to the environment.

Where available, reference should be made to the relevant best environmental management practices presented in the sectoral reference documents as referred to in Article 46;

- (f) a summary of the data available on the environmental performance of the organisation with respect to its significant environmental aspects.

Reporting shall be on both the core environmental performance indicators and the specific environmental performance indicators as set out in Section C. Where environmental objectives and targets exist, the respective data shall be reported;

- (g) a reference to the main legal provisions to be taken into account by the organisation to ensure compliance with legal requirements related to the environment and a statement regarding legal compliance;
- (h) a confirmation regarding the requirements of Art. 25 para. 8 and the name and accreditation or licence number of the environmental verifier and the date of validation. The declaration as referred to in Annex VII signed by the environmental verifier may be used instead.

The updated environmental statement shall contain at least the elements and shall meet the minimum requirements as set out in points (e) to (h).

Organisations may decide to integrate in their environmental statement additional factual information related to the activities, products and services of the organisation or to their compliance with specific requirements. All information contained in the environmental statement shall be validated by the environmental verifier.

The environmental statement may be integrated in other reporting documents of the organisation (e.g. management, sustainability or corporate social responsibility reports). When integrated in such reporting documents a clear distinction shall be made between validated and non-validated information. The environmental statement shall be clearly identified (for example by using the EMAS logo) and the document shall include a short explanation of the validation process in the context of EMAS.

C. Reporting based on environmental performance indicators and qualitative information

1. Introduction

Both, in the environmental statement and the updated environmental statement, organisations shall report on their significant direct and indirect environmental aspects by using the core environmental performance indicators and the specific environmental performance indicators as set out below. In the event that no quantitative data are available, organisations shall report qualitative information as described in point 4.

The reporting shall provide data on actual input and output. If disclosure would adversely affect the confidentiality of commercial or industrial information of the organisation where such confidentiality is provided for by national or Community law to protect a legitimate economic interest, the organisation may be permitted to index this information in its reporting, e.g. by establishing a baseline year (with the index number 100) from which the development of the actual input/output would appear.

The indicators shall:

- (a) give an accurate appraisal of the organisation's environmental performance;
- (b) be readily understood and unambiguous;
- (c) allow for a year on year comparison in order to assess whether the organisation's environmental performance has improved; to enable this comparison, the reporting shall cover at least 3 years of activity, provided the data are available.;
- (d) allow for comparison with sector, national or regional benchmarks as appropriate;
- (e) allow for comparison with regulatory requirements as appropriate.

To support this, the organisation shall briefly define the scope (including the organisational and material boundaries, applicability and calculation methodology) covered by each of the indicator.

2. Core environmental performance indicators

- (a) Core indicators focus on performance in the following key environmental areas:

- (i) Energy;
- (ii) Material;
- (iii) Water;
- (iv) Waste;
- (v) Land use with regard to biodiversity; and
- (vi) Emissions.

Reporting on core environmental performance indicators is an obligation. However, an organisation may evaluate the relevance of those indicators within the context of its significant environmental aspects and impacts. Where an organisation concludes that one or more core indicators are not relevant to its significant environmental aspects and impacts, it may not report on those core indicators. In that case, the organisation shall include in the environmental statement a clear and reasoned explanation for not doing so.

- (b) Each core indicator is composed of:

- (i) a figure A indicating the total annual input/output in the given area;
- (ii) a figure B indicating an annual reference value representing the activity of the organisation; and
- (iii) a figure R indicating the ratio A/B;

Each organisation shall report on all 3 elements for each indicator.

- (c) The indication of the total annual input/output in the given area, figure A, shall be reported as follows:

- (i) on Energy
 - the "total direct energy consumption", corresponding to the total annual amount of energy consumed by the organisation,
 - the "total renewable energy consumption", corresponding to the total annual amount of energy consumed by the organisation that was generated from renewable energy sources,

- the “total renewable energy generation”, corresponding to the total annual amount of energy generated by the organisation from renewable energy sources.

This last element shall be reported only if the total energy generated by the organisation from renewable energy sources significantly exceeds the total renewable energy consumed by the organisation, or if the renewable energy generated by the organisation was not consumed by the organisation.

If different types of energy are consumed or, in case of renewable energy, generated (such as electricity, heat, fuels or others) their annual consumption or production shall be reported separately as appropriate.

Energy should preferably be expressed in kWh, MWh, GJ or other metrics commonly used to report the type of energy consumed or generated.

(ii) on Material

- the “annual mass-flow of key materials used” (excluding energy carriers and water), preferably expressed in units of weight (e.g. kilograms or tonnes) or volume (e.g. m³) or other metrics commonly used in the sector.

When different types of materials are used, their annual mass-flow should be reported separately as appropriate.

(iii) on Water

- the “total annual water use”, expressed in units of volume (e.g. litres or m³),

(iv) on Waste

- the “total annual generation of waste”, broken down by type, preferably expressed in units of weight (e.g. kilograms or tonnes) or volume (e.g. m³), or in other metrics commonly used in the sector,
- the “total annual generation of hazardous waste” preferably expressed in units of weight (e.g. kilograms or tonnes) or m³ or in other metric commonly used in the sector,

(v) on Land-use with regard to biodiversity

- the forms of land use with regard to biodiversity expressed in units of area (e.g. m² or ha):
 - total use of land
 - total sealed area
 - total nature-oriented area on site
 - total nature-oriented area off site

A “nature-oriented area” is an area dedicated primarily to nature preservation or restoration. Nature-oriented areas can be located on-site and include roof, façade, water drainages or others elements that have been designed, adapted or are managed in order to promote biodiversity. Nature-oriented areas can also be located outside the organisation site provided that the area is owned or managed by the organisation and is primarily dedicated to promoting biodiversity. Co-managed areas dedicated to promoting biodiversity can also be described, provided that the scope of co-management is clearly outlined.

A “sealed area” means any area where the original soil has been covered (such as roads) making it impermeable. This non-permeability can create environmental impacts.

(vi) on Emissions

- the “total annual emission of greenhouse gases”, including at least emissions of CO₂, CH₄, N₂O, HFCs, PFCs, NF₃ and SF₆, expressed in tonnes of CO₂ equivalent,

The organisation should consider reporting its greenhouse gas emissions according to an established methodology, such as the Greenhouse Gas Protocol.

- the “total annual air emission”, including at least emissions of SO₂, NO_x and PM, expressed in kilograms or tonnes,

- (d) The indication of the annual reference value representing the activity of the organisation, figure B, shall be selected and reported based on the following requirements:

Figure B shall:

- (i) be comprehensible;
- (ii) be a figure that best represents the organisation's overall annual activity;
- (iii) allow a correct description of the environmental performance of the organisation, taking into account organisation specificities and activities;
- (iv) be a common reference value for the sector the organisation is working in, such as the following examples:
 - total annual physical output
 - total number of employees
 - total overnights
 - total number of inhabitants in an area (in the case of public administration)
 - tonnes of waste processed (for organisations active in the waste management sector)
 - total energy produced (for organisations active in the energy production sector)
- (v) ensure the comparability of the reported indicators over time. Once defined, Figure B shall be used in upcoming environmental statements.

A change of Figure B shall be explained in the environmental statement. In case of a change of Figure B, the organisation shall ensure the figure can be compared over at least 3 years by recalculating the indicators for the previous years according to the newly defined Figure B.

3. *Specific environmental performance indicators*

Each organisation shall also report annually on its performance relating to the significant direct and indirect environmental aspects and impacts that are related to its core business activities, that are measurable and verifiable, and that are not covered already by the core indicators.

Reporting on those indicators shall be done in accordance with the requirements set in the introduction to this section.

Where available, the organisation shall take account of sectoral reference documents as referred to in Article 46 to facilitate the identification of relevant sector specific indicators.

4. *Reporting on significant environmental aspects based on qualitative information*

In the event that no quantitative data is available to report on significant direct or indirect environmental aspects, organisations shall report their performance on the basis of qualitative information.

D. **Local accountability**

Organisations registering under EMAS may wish to produce one corporate environmental statement, covering a number of different geographic locations.

As the intention of EMAS is to ensure local accountability, organisations shall ensure that the significant environmental impacts of each site are clearly identified and reported within the corporate environmental statement.

E. **Public availability**

The organisation shall ensure that it is able to demonstrate to the environmental verifier that anybody interested in the organisation's environmental performance can easily and freely obtain access to the information required under section B and C. To provide for such transparency the environmental statement should preferably be publicly available on the website of the organisation.

The organisation shall ensure that this information on an individual site or organisation is published in (one of) the official language(s) of the Member State or third country in which the site or the organisation is located.

In addition, in the case of a corporate environmental statement, the organisation shall ensure that (for the registration purposes) this information is available in (one of) the official language(s) of the Member State in which the organisation is registered or in (one of) the official language(s) of the Union agreed with the Competent Body responsible for the registration.

The environmental statement may also be made available in additional languages provided that the content of the translated document is consistent with the content of the original environmental statement validated by the environmental verifier and that it clearly states that is a translation of the validated document.'

DECISIONS

COUNCIL DECISION (EU) 2018/2027

of 29 November 2018

on the position to be taken on behalf of the European Union within the International Civil Aviation Organization in respect of the First Edition of the International Standards and Recommended Practices on Environmental Protection — Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 192(1), in conjunction with Article 218(9) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) The Chicago Convention on International Civil Aviation ('the Convention'), which aims to regulate international air transport, entered into force on 4 April 1947. It established the International Civil Aviation Organization (ICAO).
- (2) The Member States of the Union are contracting States to the Convention and members of the ICAO, whereas the Union has observer status in certain ICAO bodies.
- (3) Pursuant to Article 54 of the Convention, the ICAO Council is to adopt international standards and recommended practices.
- (4) The 21st Conference of the Parties to the United Nations Framework Convention on Climate Change was successfully concluded in December 2015 with the adoption of the Paris Agreement. The objective of the Paris Agreement is to limit the increase in global average temperature to well below 2 °C above pre-industrial levels, and to pursue efforts to limit the temperature increase to 1,5 °C above those levels. All sectors of the economy should contribute to achieving these emission reductions, including international aviation.
- (5) In 2016 the 39th ICAO General Assembly decided, by means of Resolution A39-3, to develop a global market-based mechanism to limit greenhouse gas emissions from international aviation at their 2020 levels. The Union position in that regard was established by Council Decision (EU) 2016/915 ⁽¹⁾.
- (6) On 27 June 2018, at the 10th meeting of its 214th session, the ICAO Council adopted the First Edition of Volume IV of Annex 16 to the Convention: the International Standards and Recommended Practices on Environmental Protection – Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA).
- (7) The rules contained in CORSIA are liable to become binding in accordance with, and within the limits set out in, the Convention. They are also liable to become binding upon the Union and its Member States under existing international air transport agreements.
- (8) In accordance with Article 90 of the Convention, unless a majority of the contracting States register their disapproval, CORSIA will become effective three months after the deadline for registering disapproval.
- (9) Article 38 of the Convention covers departures from international standards and procedures. In accordance with that Article, any contracting State which finds it impracticable to comply in all respects with any such international standard or procedure, or to bring its own regulations or practices into full accord with any international

⁽¹⁾ Council Decision (EU) 2016/915 of 30 May 2016 on the position to be taken on behalf of the European Union with regard to the international instrument to be drawn up within the ICAO bodies and intended to lead to the implementation from 2020 of a single global market-based measure for international aviation emissions (OJ L 153, 10.6.2016, p. 32).

standard or procedure after amendment of the latter, or which deems it necessary to adopt regulations or practices differing in any particular respect from those established by an international standard, needs to give immediate notification to the ICAO of the differences between its own practice and that established by the international standard.

- (10) On 20 July 2018 the ICAO sent out State Letter AN 1/17.14 – 18/78 (‘the State Letter’), requesting the contracting States to, first, notify any disapproval of any part of CORSIA before 22 October 2018 and, second, notify any differences between their national practices and CORSIA and the expected date for compliance before 1 December 2018.
- (11) CORSIA is to become applicable to an aeroplane operator producing annual CO₂ emissions greater than 10 000 tonnes from international flights conducted by aeroplanes with a maximum certificated take-off mass greater than 5 700 kg, with the exception of humanitarian, medical and firefighting flights.
- (12) Monitoring, reporting and verification (‘MRV’) requirements set out in CORSIA are to become applicable as from 1 January 2019.
- (13) From 1 January 2021 to 31 December 2035, the offsetting requirements of CORSIA are to become applicable to an aeroplane operator conducting international flights (as defined in point 1.1.2 of Chapter 1 of Part II and point 2.1 of Chapter 2 of Part II) between contracting States referred to in the forthcoming ICAO document entitled ‘CORSIA States for Chapter 3 State Pairs’.
- (14) It is appropriate to establish the position to be taken on the Union’s behalf in reply to the State Letter. This is because CORSIA will be capable of decisively influencing the content of Union law, in particular Directive 2003/87/EC of the European Parliament and of the Council ⁽¹⁾.
- (15) Given that CORSIA would allow significant progress to be achieved at international level, no disapproval should be notified under Article 90 of the Convention.
- (16) The Union fully supports the efforts undertaken within the ICAO to make CORSIA operational as soon as possible. In accordance with Directive 2003/87/EC, the Commission is in the process of translating the CORSIA MRV requirements into Union acts with expected entry into force by January 2019. Moreover, the Commission is to present to the European Parliament and to the Council a report which considers ways for those instruments to be implemented in Union law. The time limit within which possible differences have to be notified according to the State Letter is too short for any adaptations to CORSIA to be adopted by the Union within that limit. Therefore, in order for the ICAO to take full account of the current legal situation at Union level as well as work initiated in the area of MRV, Member States should, in reply to the State Letter, notify differences in accordance with the addendum to this Decision.
- (17) Article 28b(2) and (3) of Directive 2003/87/EC covers the follow-up to be carried out with regard to the outcome of work at ICAO level. It is appropriate to inform the ICAO about the terms of those provisions.
- (18) The Union’s position is to be expressed by the Member States of the Union that are members of the ICAO,

HAS ADOPTED THIS DECISION:

Article 1

The position to be taken on the Union’s behalf in reply to State Letter AN 1/17.14 – 18/78, issued by the International Civil Aviation Organization on 20 July 2018, is set out in the addendum to this Decision.

Article 2

The position referred to in Article 1 shall be expressed by the Member States of the Union that are members of the ICAO.

⁽¹⁾ Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a system for greenhouse gas emission allowance trading within the Union and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, p. 32).

Article 3

This Decision shall enter into force on the date of its adoption.

Done at Brussels, 29 November 2018.

For the Council
The President
M. SCHRAMBÖCK

ADDENDUM

As regards ATTACHMENT C to ICAO State letter AN 1/17.14 – 18/78 (NOTIFICATION OF COMPLIANCE WITH OR DIFFERENCES FROM ANNEX 16, VOLUME IV), differences shall be notified and the following explanations be given in this respect:

General points

The Union and its Member States are a strong supporter of ICAO's efforts to put a global market-based measure for international aviation globally into effect to contribute to tackling climate change.

(insert your State) fully supports the efforts undertaken within ICAO in order to make CORSIA operational as soon as possible. In accordance with Directive 2003/87/EC, Europe is in the process of translating CORSIA Monitoring, Reporting and Verification (MRV) requirements into Union legal acts with expected entry into force by January 2019. The time limit within which possible differences have to be notified according to ICAO State Letter AN 1/17.14 – 18/78 is too short for any adaptations of the Union law to be adopted by the Union within that limit.

At this stage, certain differences exist between Directive 2003/87/EC and detailed rules adopted by the Commission, on the one hand, and CORSIA on the other hand. This applies both to MRV requirements and to offsetting requirements.

In respect of both, the scope of application of Directive 2003/87/EC as it currently stands shall be recalled. The Directive applies irrespective of the nationality of the aeroplane operator and in principle covers flights which depart from or arrive in an aerodrome situated in the territory of a Member State to which the Treaty applies. Directive 2003/87/EC applies without distinction to flights within and between Member States and/or EEA countries.

MRV requirements

MRV requirements set out in the CORSIA are to become applicable as from 1 January 2019.

The rules of the European Union applicable in this field on 1 December 2018 are mainly contained in Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a system for greenhouse gas emission allowance trading within the Union. That Directive is the legal basis for the detailed provisions in the matter, contained in Commission Regulation (EU) No 600/2012 of 21 June 2012 on the verification of greenhouse gas emission reports and tonne-kilometre reports and the accreditation of verifiers pursuant to Directive 2003/87/EC and in Commission Regulation (EU) No 601/2012 of 21 June 2012 on the monitoring and reporting of greenhouse gas emissions pursuant to Directive 2003/87/EC.

It should be noted that the European Commission is currently in the process of adopting regulations that are expected to remove, subject to the General points set out above, differences with the CORSIA Monitoring Reporting Verification requirements of the First Edition of Annex 16, Volume IV, with an expected entry into force before 1 January 2019.

Offsetting requirements

As regards offsetting, it is noted that the corresponding requirements contained in CORSIA will apply only at a later stage and that Union law may meanwhile be amended in light of CORSIA.

As a result, it is not necessary to address the current offsetting requirements under Union law beyond the General points set out above.

COUNCIL DECISION (EU) 2018/2028**of 4 December 2018****establishing that no effective action has been taken by Hungary in response to the Council Recommendation of 22 June 2018**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Regulation (EC) No 1466/97 of 7 July 1997 on the strengthening of the surveillance of budgetary positions and the surveillance and coordination of economic policies ⁽¹⁾, and in particular Article 10(2), fourth subparagraph, thereof,

Having regard to the recommendation from the European Commission,

Whereas:

- (1) On 22 June 2018, the Council decided in accordance with Article 121(4) of the Treaty on the Functioning of the European Union ("TFEU") that a significant observed deviation from the adjustment path toward the medium-term budgetary objective of – 1,5 % of GDP existed in Hungary.
- (2) In view of the established significant deviation, the Council on 22 June 2018 issued a Recommendation ⁽²⁾ for Hungary to take the necessary measures to ensure that the nominal growth rate of net primary government expenditure ⁽³⁾ does not exceed 2,8 % in 2018, corresponding to an annual structural adjustment of 1,0 % of GDP. It recommended that Hungary use any windfall gains for deficit reduction, while budgetary consolidation measures should ensure a lasting improvement in the general government structural balance in a growth-friendly manner. The Council established a deadline of 15 October 2018 for Hungary to report on the action taken in response to that Recommendation.
- (3) On 18 and 19 September 2018, the Commission undertook an enhanced surveillance mission in Hungary for the purpose of on-site monitoring under Article 11(2) of Regulation (EC) No 1466/97. After having transmitted its provisional findings to the Hungarian authorities for comments, the Commission reported its findings to the Council on 21 November 2018. Those findings were subsequently made public. The Commission report finds that the Hungarian authorities intend to maintain the 2018 headline deficit target of 2,4 % of GDP as set in the 2018 Convergence Programme and thus do not plan to act upon the Council Recommendation of 22 June 2018.
- (4) On 15 October 2018, the Hungarian authorities submitted a report on action taken in response to the Council Recommendation of 22 June 2018 ⁽⁴⁾. In the report, the authorities reiterated that their target for 2018 remains a headline deficit of 2,4 % of GDP. Compared to the budgetary projection in the 2018 Convergence Programme, the authorities expect significantly higher tax revenues and savings due to decreased co-financing costs of projects funded from the Union budget. However, they plan additional expenditure that fully offsets the deficit-reducing effect of those developments. The reported new discretionary measures have no significant net fiscal impact on the budget outcome in 2018, thus falling short of the requirement stated in the Council Recommendation of 22 June 2018.
- (5) In 2018, based on the Commission 2018 autumn forecast, the growth of government expenditure, net of discretionary revenue measures and one-offs, is projected at 7,0 %, well above the recommended reference rate of growth of 2,8 % (deviation of 1,6 % of GDP). The structural balance is set to deteriorate by 0,4 % of GDP against the recommended improvement of 1,0 % of GDP (deviation of 1,4 % of GDP). Therefore, both pillars point to a deviation from the recommended adjustment by a wide margin. The reading of the expenditure benchmark is negatively affected by three elements, namely a lower-than-currently-estimated medium-term potential growth rate and GDP deflator underlying the expenditure benchmark as well as an indirect revenue effect of certain measures. After adjusting for these factors, the expenditure benchmark appears to adequately reflect the fiscal effort and still points to a deviation. The assessment of the structural balance leads to a similar result.

⁽¹⁾ OJ L 209, 2.8.1997, p. 1.

⁽²⁾ Council Recommendation of 22 June 2018 with a view to correcting the significant observed deviation from the adjustment path toward the medium-term budgetary objective in Hungary (OJ C 223, 27.6.2018, p. 1).

⁽³⁾ Net primary government expenditure is comprised of total government expenditure excluding interest expenditure, expenditure on Union programmes fully matched by Union funds revenue and non-discretionary changes in unemployment benefit expenditure. Nationally financed gross fixed capital formation is smoothed over a four-year period. Discretionary revenue measures or revenue increases mandated by law are factored in. One-off measures on both the revenue and expenditure sides are netted out.

⁽⁴⁾ https://ec.europa.eu/info/files/hungary-report-council-recommendations-under-significant-deviation-procedure_en

The structural balance is negatively impacted by a revenue shortfall, but it is partly offset by the effect of a higher point estimate for potential GDP growth compared to the medium-term average underlying the expenditure benchmark. Therefore the overall assessment confirms a deviation from the recommended adjustment by a wide margin.

- (6) The above findings lead to the conclusion that Hungary's response to the Council Recommendation of 22 June 2018 has been insufficient. The fiscal effort falls short of ensuring that the nominal growth rate of net primary government expenditure does not exceed 2,8 % in 2018, which would correspond to an annual structural adjustment of 1,0 % of GDP,

HAS ADOPTED THIS DECISION:

Article 1

Hungary has not taken effective action in response to the Council Recommendation of 22 June 2018.

Article 2

This Decision is addressed to Hungary.

Done at Brussels, 4 December 2018.

For the Council
The President
H. LÖGER

COMMISSION IMPLEMENTING DECISION (EU) 2018/2029**of 18 December 2018****determining quantitative limits and allocating quotas for substances controlled under Regulation (EC) No 1005/2009 of the European Parliament and of the Council on substances that deplete the ozone layer, for the period 1 January to 31 December 2019***(notified under document C(2018) 8655)***(Only the Croatian, Czech, Dutch, English, French, German, Greek, Hungarian, Italian, Latvian, Maltese, Polish, Portuguese and Spanish texts are authentic)**

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EC) No 1005/2009 of the European Parliament and of the Council of 16 September 2009 on substances that deplete the ozone layer ⁽¹⁾, and in particular Articles 10(2) and 16(1) thereof,

Whereas:

- (1) The release for free circulation in the Union of imported controlled substances is subject to quantitative limits.
- (2) The Commission is required to determine those limits and allocate quotas to undertakings.
- (3) Furthermore, the Commission is required to determine the quantities of controlled substances other than hydrochlorofluorocarbons that may be used for essential laboratory and analytical uses, and the undertakings that may use them.
- (4) The determination of the allocated quotas for essential laboratory and analytical uses has to ensure that the quantitative limits set out in Article 10(6) of Regulation (EC) No 1005/2009 are respected, applying Commission Regulation (EU) No 537/2011 ⁽²⁾. As those quantitative limits include quantities of hydrochlorofluorocarbons licensed for laboratory and analytical uses, the production and import of hydrochlorofluorocarbons for those uses should also be covered by that allocation.
- (5) The Commission has published a notice to undertakings intending to import or export controlled substances that deplete the ozone layer to or from the European Union in 2019 and to undertakings intending to produce or import these substances for laboratory and analytical uses in 2019 ⁽³⁾, and has thereby received declarations on intended imports in 2019.
- (6) The quantitative limits and quotas should be determined for the period 1 January to 31 December 2019, in line with the annual reporting cycle under the Montreal Protocol on Substances that Deplete the Ozone Layer.
- (7) The measures provided for in this Decision are in accordance with the opinion of the Committee established by Article 25(1) of Regulation (EC) No 1005/2009,

HAS ADOPTED THIS DECISION:

*Article 1***Quantitative limits for release for free circulation**

The quantities of controlled substances subject to Regulation (EC) No 1005/2009 which may be released for free circulation in the Union in 2019 from sources outside the Union shall be the followings:

Controlled substances	Quantity (in ozone depleting potential (ODP) kilograms)
Group I (chlorofluorocarbons 11, 12, 113, 114 and 115) and group II (other fully halogenated chlorofluorocarbons)	2 200 510,00

⁽¹⁾ OJ L 286, 31.10.2009, p. 1.⁽²⁾ Commission Regulation (EU) No 537/2011 of 1 June 2011 on the mechanism for the allocation of quantities of controlled substances allowed for laboratory and analytical uses in the Union under Regulation (EC) No 1005/2009 of the European Parliament and of the Council on substances that deplete the ozone layer (OJ L 147, 2.6.2011, p. 4).⁽³⁾ OJ C 57, 15.2.2018, p. 8.

Controlled substances	Quantity (in ozone depleting potential (ODP) kilograms)
Group III (halons)	24 247 100,00
Group IV (carbon tetrachloride)	22 363 561,00
Group V (1,1,1-trichloroethane)	1 700 000,00
Group VI (methyl bromide)	480 912,00
Group VII (hydrobromofluorocarbons)	4 917,00
Group VIII (hydrochlorofluorocarbons)	5 077 008,03
Group IX (bromochloromethane)	324 024,00

Article 2

Allocation of quotas for release for free circulation

1. The allocation of quotas for chlorofluorocarbons 11, 12, 113, 114 and 115 and other fully halogenated chlorofluorocarbons during the period 1 January to 31 December 2019 shall be for the purposes and to the undertakings indicated in Annex I.
2. The allocation of quotas for halons during the period 1 January to 31 December 2019 shall be for the purposes and to the undertakings indicated in Annex II.
3. The allocation of quotas for carbon tetrachloride during the period 1 January to 31 December 2019 shall be for the purposes and to the undertakings indicated in Annex III.
4. The allocation of quotas for 1,1,1-trichloroethane during the period 1 January to 31 December 2019 shall be for the purposes and to the undertakings indicated in Annex IV.
5. The allocation of quotas for methyl bromide during the period 1 January to 31 December 2019 shall be for the purposes and to the undertakings indicated in Annex V.
6. The allocation of quotas for hydrobromofluorocarbons during the period 1 January to 31 December 2019 shall be for the purposes and to the undertakings indicated in Annex VI.
7. The allocation of quotas for hydrochlorofluorocarbons during the period 1 January to 31 December 2019 shall be for the purposes and to the undertakings indicated in Annex VII.
8. The allocation of quotas for bromochloromethane during the period 1 January to 31 December 2019 shall be for the purposes and to the undertakings indicated in Annex VIII.
9. The individual quotas for undertakings shall be as set out in Annex IX.

Article 3

Quotas for laboratory and analytical uses

The quotas for importing and producing controlled substances for laboratory and analytical uses in the year 2019 shall be allocated to the undertakings listed in Annex X.

The maximum quantities that may be produced or imported in 2019 for laboratory and analytical uses allocated to those undertakings are set out in Annex XI.

Article 4

Period of validity

This Decision shall apply from 1 January 2019 and shall expire on 31 December 2019.

Article 5

Addressees

This Decision is addressed to the following undertakings:

1	ABCR GmbH Im Schlebert 10 76187 Karlsruhe Germany	2	AGC Chemicals Europe, Ltd York House, Hillhouse International FY5 4QD Thornton Cleveleys United Kingdom
3	Albemarle Europe SPRL Parc Scientifique Einstein, Rue du Bosquet 9 B-1348 Louvain-la-Neuve Belgium	4	Arkema France Rue Estienne d'Orves 420 92705 Colombes Cedex France
5	Ateliers Bigata SASU Rue Jean-Baptiste Perrin 10 33320 EYSINES France	6	Avocado Research Chemicals Limited Shore Road LA3 2XY Lancaster United Kingdom
7	BASF Agri-Production S.A.S. Rue de Verdun 32 76410 Saint-Aubin Les Elbeuf France	8	Bayer CropScience AG Alfred-Nobel-Str. 50 40789 Monheim Germany
9	BDL Czech Republic s.r.o. Náměstí Českého ráje 2 51101 Turnov Czech Republic	10	Biovit d.o.o. Varazdinska ulica — Odvojak II 15 HR-42000 Varazdin Croatia
11	Blue Cube Germany Assets GmbH & Co. KG Buetzflether Sand 2 21683 Stade Germany	12	Butterworth Laboratories Ltd Waldegrave Road 54-56 TW11 8NY London United Kingdom
13	Ceram Optec SIA Skanstes street 7 K-1 LV-1013 Riga Latvia	14	Chemours Netherlands BV Baanhoekweg 22 3313LA Dordrecht Netherlands
15	Daikin Refrigerants Europe GmbH Industriepark Höchst 65926 Frankfurt am Main Germany	16	Dyneon GmbH Industrieparkstr. 1 84508 Burgkirchen Germany
17	EAF protect s.r.o. Karlovarská 131/50 35002 Cheb 2 Czech Republic	18	ESTO Cheb s.r.o. Palackého 2087/8A 35002 Cheb Czech Republic
19	F-Select GmbH Grosshesseloherstr. 18 81479 Munich Germany	20	Fire Fighting Enterprises Ltd Hunting Gate 9 SG4 0TJ Hitchin United Kingdom
21	Gedeon Richter plc Gyömrői út 19-21. H-1103 Budapest Hungary	22	GHC Gerling, Holz & Co. Handels GmbH Ruhrstr. 113 22761 Hamburg Germany

23	Gielle Di Luigi Galantucci Via Ferri Rocco 32 70022 Altamura Italy	24	GlaxoSmithKline Cobden Street DD10 8EA Montrose United Kingdom
25	Halon & Refrigerant Services Ltd J Reid Trading Estate, Factory Road CH5 2QJ Sandycroft United Kingdom	26	Honeywell Speciality Chemicals Seelze GmbH Wunstorfer Str. 40 30926 Seelze Germany
27	Hovione FarmaCiencia SA Quinta de S. Pedro — Sete Casas 2674-506 Loures Portugal	28	Hudson Technologies Europe S.r.l. Via degli Olmetti 5/B 00060 Formello Italy
29	Hugen Reprocessing Company Dutch Halonbank BV Marketing 43 6921 RE Duiven Netherlands	30	ICL EUROPE COOPERATIEF U.A. Koningin Wilhelminaplein 30 1062 KR Amsterdam Netherlands
31	Intergeo Ltd Industrial Park Of Thermi 57001 Thessaloniki Greece	32	Labmix24 GmbH Jonas-Elkan-Weg 4 46499 Hamminkeln Germany
33	LABORATORIOS MIRET SA Geminis 4 08228 Terrassa Spain	34	Ludwig-Maximilians-University Butenadtstr. 5-13 (HAUS D) DE-81377 Munich Germany
35	Mebrom NV Antwerpsesteenweg 45 2830 Willebroek Belgium	36	Merck KGaA Frankfurter Strasse 250 64293 Darmstadt Germany
37	Meridian Technical Services Limited Hailey Road 14 DA18 4AP Erith United Kingdom	38	Mexichem UK Limited The Heath Business and Technical Park WA7 4QX Runcorn, Cheshire United Kingdom
39	Ministry of Defence — Chemical Laboratory — Den Helder Bevesierweg 4 1780CA Den Helder Netherlands	40	Neochema GmbH Am Kümmerling 37A 55294 Bodenheim Germany
41	P.U. POZ-PLISZKA Sp. z o.o. Mialki Szlak 52 80-717 Gdansk Poland	42	Philipps-Universität Marburg Biegenstrasse 10 35032 Marburg Germany
43	R.P. CHEM s.r.l. Via San Michele 47 31032 Casale sul Sile (TV) Italy	44	Restek GmbH Schaberweg 23 Bad Homburg Germany

45	Sanofi Chimie Le Bourg 63480 Vertolaye France	46	Savi Technologie sp. z o.o. Psary Wolnosci 20 51-180 Wroclaw Poland
47	Sigma Aldrich Chimie SARL Rue de Luzais 80 38070 Saint Quentin Fallavier France	48	Sigma-Aldrich Chemie GmbH Riedstraße 2 89555 Steinheim Germany
49	Sigma-Aldrich Company LTD The Old Brickyard, New Road SP8 4XT Gillingham, DORSET United Kingdom	50	Solvay Fluor GmbH Hans-Boeckler-Allee 20 30173 Hannover Germany
51	Solvay Specialty Polymers France SAS Avenue de la Republique 39501 Tavaux Cedex France	52	Solvay Specialty Polymers Italy SpA Viale Lombardia 20 20021 Bollate Italy
53	SPEX CertiPrep Ltd Dalston Gardens 2 HA7 1BQ Stanmore United Kingdom	54	Sterling Chemical Malta Limited V. Dimech Street 4 1504 FLORIANA Malta
55	Sterling SpA Via della Carboneria 30 06073 Solomeo — Corciano (PG) Italy	56	Syngenta Limited Priestley Road Surrey Research Park 30 GU2 7YH Guildford United Kingdom
57	Tazzetti SAU Calle Roma 2 28813 Torres de la Alameda Spain	58	Tazzetti SpA Corso Europa 600/A 10088 Volpiano Italy
59	Techlab SARL La tannerie 4C 57072 METZ Cedex 3 France	60	TEGA — Technische Gase und Gasetechnik GmbH Werner-von-Siemens-Str. 18 D-97076 Würzburg Germany
61	Thomas Swan & Co. Ltd Rotary Way DH8 7ND Consett County Durham United Kingdom	62	Valliscor Europa Limited 3rd Floor Kilmore House Park Lane Spencer Dock D01 YE64 Dublin 1 Ireland

Done at Brussels, 18 December 2018.

For the Commission
Miguel ARIAS CAÑETE
Member of the Commission

ANNEX I

GROUPS I AND II

Import quotas for chlorofluorocarbons 11, 12, 113, 114 and 115 and other fully halogenated chlorofluorocarbons allocated to importers in accordance with Regulation (EC) No 1005/2009 for feedstock uses and process agent uses during the period 1 January to 31 December 2019

Company

ABCR GmbH (DE)

Solvay Specialty Polymers Italy SpA (IT)

Syngenta Limited (UK)

Tazzetti SAU (ES)

Tazzetti SpA (IT)

TEGA — Technische Gase und Gasetechnik GmbH (DE)

ANNEX II

GROUP III

Import quotas for halons allocated to importers in accordance with Regulation (EC) No 1005/2009 for feedstock uses and critical uses during the period 1 January to 31 December 2019

Company

ABCR GmbH (DE)
Arkema France (FR)
Ateliers Bigata SASU (FR)
BASF Agri-Production S.A.S. (FR)
EAF protect s.r.o. (CZ)
ESTO Cheb s.r.o. (CZ)
Fire Fighting Enterprises Ltd (UK)
Gielle Di Luigi Galantucci (IT)
Halon & Refrigerant Services Ltd (UK)
Hugen Reprocessing Company Dutch Halonbank BV (NL)
Intergeo Ltd (EL)
Meridian Technical Services Limited (UK)
P.U. Poz-Pliszka Sp. z o.o. (PL)
Savi Technologie sp. z o.o. (PL)

ANNEX III

GROUP IV

Import quotas for carbon tetrachloride allocated to importers in accordance with Regulation (EC) No 1005/2009 for feedstock uses and process agent uses for the period 1 January to 31 December 2019

Company

Abcr GmbH (DE)

Arkema France (FR)

Blue Cube Germany Assets GmbH & Co. KG (DE)

Ceram Optec SIA (LV)

ANNEX IV

GROUP V

Import quotas for 1,1,1-trichloroethane allocated to importers in accordance with Regulation (EC) No 1005/2009 for feedstock uses for the period 1 January to 31 December 2019

Company

Arkema France (FR)

ANNEX V

GROUP VI

Import quotas for methyl bromide allocated to importers in accordance with Regulation (EC) No 1005/2009 for feedstock uses for the period 1 January to 31 December 2019

Company

Abcr GmbH (DE)

GHC Gerling, Holz & Co. Handels GmbH (DE)

ICL Europe Cooperatief U.A. (NL)

Mebrom NV (BE)

Sanofi Chimie (FR)

Sigma-Aldrich Chemie GmbH (DE)

ANNEX VI

GROUP VII

Import quotas for hydrobromofluorocarbons allocated to importers in accordance with Regulation (EC) No 1005/2009 for feedstock uses for the period 1 January to 31 December 2019

Company

Abcr GmbH (DE)

GlaxoSmithKline (UK)

Hovione FarmaCiencia SA (PT)

R.P. Chem s.r.l. (IT)

Sanofi Chimie (FR)

Sterling Chemical Malta Limited (MT)

Sterling SpA (IT)

Valliscor Europa Limited (IE)

ANNEX VII

GROUP VIII

Import quotas for hydrochlorofluorocarbons allocated to importers in accordance with Regulation (EC) No 1005/2009 for feedstock uses for the period 1 January to 31 December 2019

Company

Abcr GmbH (DE)
AGC Chemicals Europe, Ltd. (UK)
Arkema France (FR)
Bayer CropScience AG (DE)
Chemours Netherlands BV (NL)
Dyneon GmbH (DE)
Mexichem UK Limited (UK)
Solvay Fluor GmbH (DE)
Solvay Specialty Polymers France SAS (FR)
Solvay Specialty Polymers Italy SpA (IT)
Tazzetti SAU (ES)
Tazzetti SpA (IT)

ANNEX VIII

GROUP IX

Import quotas for bromochloromethane allocated to importers in accordance with Regulation (EC) No 1005/2009 for feedstock uses for the period 1 January to 31 December 2019

Company

Albemarle Europe SPRL (BE)
ICL Europe Cooperatief U.A. (NL)
Laboratorios Miret SA (ES)
Sigma-Aldrich Chemie GmbH (DE)
Thomas Swan & Co. Ltd (UK)
Valliscor Europa Limited (IE)

ANNEX IX

(Commercially sensitive — in confidence — not to be published)

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ANNEX X

Undertakings entitled to produce or import controlled substances for laboratory and analytical uses for the period 1 January to 31 December 2019

Company

Abcr GmbH (DE)
Arkema France (FR)
Avocado Research Chemicals Limited (UK)
BDL Czech Republic s.r.o. (CZ)
Biovit d.o.o. (HR)
Butterworth Laboratories Ltd (UK)
Daikin Refrigerants Europe GmbH (DE)
F-Select GmbH (DE)
Gedeon Richter plc (HU)
Honeywell Speciality Chemicals Seelze GmbH (DE)
Hudson Technologies Europe S.r.l. (IT)
Labmix24 GmbH (DE)
Ludwig-Maximilians-University (DE)
Mebrom NV (BE)
Merck KGaA (DE)
Mexichem UK Limited (UK)
Ministry of Defence — Chemical Laboratory — Den Helder (NL)
Neochema GmbH (DE)
Philipps-Universität Marburg (DE)
Restek GmbH (DE)
Sanofi Chimie (FR)
Sigma Aldrich Chimie SARL (FR)
Sigma-Aldrich Chemie GmbH (DE)
Sigma-Aldrich Company Ltd (UK)
Solvay Fluor GmbH (DE)
Solvay Specialty Polymers France SAS (FR)
SPEX CertiPrep Ltd (UK)
Techlab SARL (FR)
Valliscor Europa Limited (IE)

ANNEX XI

(Commercially sensitive — in confidence — not to be published)

COMMISSION IMPLEMENTING DECISION (EU) 2018/2030**of 19 December 2018****determining, for a limited period of time, that the regulatory framework applicable to central securities depositories of the United Kingdom of Great Britain and Northern Ireland is equivalent in accordance with Regulation (EU) No 909/2014 of the European Parliament and of the Council**

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the functioning of the European Union,

Having regard to Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012 ⁽¹⁾ and in particular Article 25(9) thereof,

Whereas:

- (1) On 29 March 2017, the United Kingdom of Great Britain and Northern Ireland (the 'United Kingdom') submitted the notification of its intention to withdraw from the Union pursuant to Article 50 of the Treaty on European Union. The Treaties will cease to apply to the United Kingdom from the date of entry into force of a withdrawal agreement or failing that, two years after that notification, i.e. from 30 March 2019, unless the European Council, in agreement with the United Kingdom, unanimously decides to extend that period.
- (2) As announced in the Commission Communication of 13 November 2018 'Preparing for the withdrawal of the United Kingdom from the European Union on 30 March 2019: a Contingency Action Plan' ⁽²⁾ ('the Contingency Action Plan'), a withdrawal without an agreement may pose risks in relation to certain services provided to Union operators by central securities depositories ('CSDs') that have already been authorised in the United Kingdom ('UK CSDs') and that cannot be replaced in the short-term. To prevent such risks, it is justified and in the interests of the Union and its Member States to ensure, for a limited period of time, that UK CSDs may continue to provide services in the Union after 29 March 2019.
- (3) CSDs are instrumental to financial markets. The recording of securities in a book-entry system ('notary services') and the maintenance of securities accounts at the top tier level ('central maintenance services') increase transparency and protect investors, as they ensure the integrity of the issue and prevent undue duplication or reduction of securities. CSDs also operate securities settlement systems, which ensure that securities transactions are settled properly and in a timely manner. These functions are critical in the post-trade clearing and settlement process and as such essential to the financial stability of the Union and its Member States. Securities settlement systems are essential also to monetary policy as they are closely involved in securing collateral for monetary policy operations. Furthermore, market operators in Ireland rely on the services of a UK CSD with respect to corporate securities and exchange traded funds constituted under the domestic law of Ireland.
- (4) From 30 March 2019, UK CSDs will be 'third-country CSDs' and, as such, may only provide notary and central maintenance services in relation to financial instruments constituted under the law of a Member State if they are recognised by the European Securities and Markets Authority ('ESMA') in accordance with Article 25 of Regulation (EU) No 909/2014. In the absence of the recognition of UK CSDs, Union issuers may not use UK CSDs to record transferable securities constituted under such laws in book-entry form in a CSD as required by Article 3 of Regulation (EU) No 909/2014. That situation may result in temporary challenges for issuers to fulfil their legal obligations. As announced in the Contingency Action Plan, it is therefore necessary that, in that exceptional situation, the legal and supervisory arrangements governing UK CSDs are determined as equivalent for a strictly limited period of time and under specific conditions so that those CSDs may continue to provide notary and maintenance services in the Union.
- (5) In accordance with Article 25(9) of Regulation (EU) No 909/2014, three conditions must be fulfilled in order to determine that the legal and supervisory arrangements of a third country regarding CSDs authorised therein are equivalent to those laid down in that Regulation.

⁽¹⁾ OJ L 257, 28.8.2014, p. 1⁽²⁾ COM(2018)880 final

- (6) First, the legal and supervisory arrangements of a third country must ensure that CSDs in that third country comply with legally binding requirements which are in effect equivalent to the requirements laid down in Regulation (EU) No 909/2014. Until 29 March 2019, UK CSDs must comply with the requirements laid down in Regulation (EU) No 909/2014. As part of the European Union (Withdrawal) Act 2018, the United Kingdom incorporated on 26 June 2018 the provisions of Regulation (EU) No 909/2014 into United Kingdom domestic law with effect from the date of the United Kingdom's withdrawal from the Union.
- (7) Second, the legal and supervisory arrangements of the third country must ensure that CSDs established in the third country are subject to effective supervision, oversight and enforcement on an ongoing basis. Until 29 March 2019, UK CSDs are under the supervision by the Bank of England, as determined by United Kingdom domestic law in accordance with Regulation (EU) No 909/2014. As part of the incorporation of Regulation (EU) No 909/2014 into United Kingdom domestic law, the Bank of England remains responsible for the supervision of CSDs and its supervisory, oversight and enforcement powers regarding CSDs will remain essentially unchanged.
- (8) Third, the legal framework of the third country must provide for an effective equivalent system for the recognition of CSDs authorised under third-country legal regimes. This is ensured by the incorporation of the equivalence system in Article 25 of Regulation (EU) No 909/2014 into United Kingdom domestic law.
- (9) The Commission concludes that the legal and supervisory arrangements of the United Kingdom applicable to UK CSDs on the day after its withdrawal from the Union meet the conditions laid down in Article 25(9) of Regulation (EU) No 909/2014.
- (10) However, this Decision is based on the legal and supervisory arrangements applicable to UK CSDs on the day after the withdrawal of the United Kingdom from the Union. Those legal and supervisory arrangements should only be considered equivalent where the requirements applicable to CSDs in United Kingdom domestic law are maintained and continue to be effectively applied and enforced on an ongoing basis. The effective exchange of information and coordination of supervisory activities between ESMA and the Bank of England is therefore an essential condition for maintaining the determination of equivalence.
- (11) That exchange of information requires the conclusion of comprehensive and effective cooperation arrangements in accordance with Article 25(10) of Regulation (EU) No 909/2014. Those cooperation arrangements should also ensure the possibility to share all relevant information with the authorities referred to in Article 25(5) of Regulation (EU) No 909/2014, including the European Central Bank and the other members of the European System of Central Banks, for the purpose of consulting those authorities about the recognised status of UK CSDs or where that information is necessary for those authorities to carry out their supervisory tasks.
- (12) In the event of the exceptional situation of the withdrawal of the United Kingdom from the Union without an agreement, and given the importance of UK CSDs to market operators in the Union, cooperation arrangements established pursuant to Article 25(10) of Regulation (EU) No 909/2014 must ensure that ESMA has immediate access, on an ongoing basis, to all information requested by it. That information includes but is not limited to information allowing for the assessment of any material risks posed by UK CSDs to the Union or its Member States, either directly or indirectly. The cooperation arrangements should therefore specify the mechanism for the exchange of information between ESMA, the competent authorities of the Member States in which a CSD has a branch or provides CSD services (the 'host Member State') and the Bank of England, including access to all information regarding UK CSDs that is requested by ESMA and in particular access to information requested by the competent authority in the host Member State in the cases referred to in Article 25(7) of Regulation (EU) No 909/2014 regarding the periodic reporting on UK CSDs' activities in the host Member State; the communication of the identity of the issuers and participants in the securities settlement system operated by UK CSDs or any other relevant information concerning UK CSDs' activities in the host Member State; as well as the prompt notification of ESMA of any developments with regard to UK CSDs that could affect the monetary policy in the Union and of any changes in the legal and or supervisory arrangements applicable to UK CSDs; the mechanism for prompt notification of ESMA where the Bank of England deems a CSD that it is supervising to infringe the conditions of its authorisation or of other applicable law; and the procedures concerning the coordination of supervisory activities including, where appropriate, on-site inspections.
- (13) The Commission, in cooperation with ESMA, will monitor any changes introduced in the legal and supervisory arrangements affecting UK CSDs, market developments as well as the effectiveness of supervisory cooperation, including prompt information exchange between ESMA and the Bank of England. The Commission might undertake a review at any time, where relevant developments make it necessary for the Commission to re-assess

the equivalence granted by this Decision, including where the terms of the cooperation arrangements concluded between ESMA and the Bank of England are not respected or do not allow for an effective assessment of the risk that UK CSDs pose to the Union or its Member States.

- (14) In light of the uncertainties surrounding the future relationship between the United Kingdom and the Union, as well as their potential impact on the financial stability of the Union and its Member States and on the integrity of the Single Market, this Decision should expire on 30 March 2021. The assessment contained in this Decision is therefore without prejudice to any future assessment of the legal and supervisory arrangements of the United Kingdom for CSDs and, as such, should not be relied upon beyond the purposes of this Decision.
- (15) This Decision should enter into force as a matter of urgency and should only apply from the day following that on which the Treaties cease to apply to and in the United Kingdom unless a withdrawal agreement concluded with the United Kingdom has entered into force by that date or the two-year period referred to in Article 50(3) of the Treaty on European Union has been extended.
- (16) The measures provided for in this Decision are in accordance with the opinion of the European Securities Committee,

HAS ADOPTED THIS DECISION:

Article 1

For the purposes of Article 25 of Regulation (EU) No 909/2014, the legal and supervisory arrangements of the United Kingdom of Great Britain and Northern Ireland consisting of the Financial Services and Markets Act 2000 and the European Union (Withdrawal) Act 2018 applicable to central securities depositories already established and authorised in the United Kingdom of Great Britain and Northern Ireland shall be considered to be equivalent to the requirements laid down in Regulation (EU) No 909/2014.

Article 2

This Decision shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

It shall apply from the date following that on which the Treaties cease to apply to and in the United Kingdom pursuant to Article 50(3) of the Treaty on European Union.

However, this Decision shall not apply in any of the following cases:

- (a) a withdrawal agreement concluded with the United Kingdom of Great Britain and Northern Ireland in accordance with Article 50(2) of the Treaty on European Union has entered into force by that date;
- (b) a decision has been taken to extend the two year period referred to in Article 50(3) of the Treaty on European Union.

It shall expire on 30 March 2021.

Done at Brussels, 19 December 2018.

For the Commission
The President
Jean-Claude JUNCKER

COMMISSION IMPLEMENTING DECISION (EU) 2018/2031**of 19 December 2018****determining, for a limited period of time, that the regulatory framework applicable to central counterparties in the United Kingdom of Great Britain and Northern Ireland is equivalent, in accordance with Regulation (EU) No 648/2012 of the European Parliament and of the Council**

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the functioning of the European Union,

Having regard to Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories ⁽¹⁾ and in particular Article 25(6) thereof,

Whereas:

- (1) On 29 March 2017, the United Kingdom of Great Britain and Northern Ireland (the 'United Kingdom') submitted the notification of its intention to withdraw from the Union pursuant to Article 50 of the Treaty on European Union. The Treaties will cease to apply to the United Kingdom from the date of entry into force of a withdrawal agreement or failing that, two years after that notification, i.e. from 30 March 2019, unless the European Council, in agreement with the United Kingdom, unanimously decides to extend that period.
- (2) As announced in the Commission Communication of 13 November 2018 'Preparing for the withdrawal of the United Kingdom from the European Union on 30 March 2019: a Contingency Action Plan' ⁽²⁾ ('the Contingency Action Plan'), a withdrawal without an agreement may pose risks to the financial stability of the Union and its Member States. To prevent such risks, it is justified and in the interests of the Union and its Member States to ensure, for a limited period of time, that central counterparties ('CCPs') that have already been authorised in the United Kingdom ('UK CCPs') may continue to provide clearing services in the Union after 29 March 2019.
- (3) Central clearing increases market transparency, mitigates credit risks and reduces the risks of contagion in the event of the default of one or more participants in a CCP. The provision of such services is therefore critical for ensuring financial stability. A disruption in the provision of clearing services could also affect the implementation of central banks' monetary policy where transactions are cleared in the currency issued by a Union central bank. Moreover, financial instruments cleared by CCPs are also essential for financial intermediaries and their clients, e.g. to hedge interest rate risks, and a disruption in the provision of clearing services could therefore also create risks for the real economy of the Union.
- (4) As of 31 December 2017, the outstanding notional amount of OTC derivatives is more than EUR 500 trillion worldwide, of which interest rate derivatives represent more than 75 % and foreign exchange derivatives almost 20 %. About 30 % of all OTC derivatives are denominated in euro and other Union currencies. The market for central clearing of OTC derivatives is highly concentrated, in particular the market for central clearing of OTC interest rate derivatives of which about 97 % are cleared in one UK CCP ⁽³⁾.
- (5) From 30 March 2019, UK CCPs will be 'third-country CCPs' and, as such, may only provide clearing services if they are recognised by the European Securities and Markets Authority ('ESMA') in accordance with Article 25 of Regulation (EU) No 648/2012. In the absence of the recognition of UK CCPs, counterparties established in the Union may not clear OTC derivatives that are subject to the clearing obligation pursuant to Article 4 of Regulation (EU) No 648/2012 in UK CCPs. That situation may result in temporary challenges for those counterparties to fulfil their clearing obligations, which in turn, may pose risks to the financial stability and the implementation of the monetary policy of the Union and its Member States. As announced in the Contingency Action Plan, it is therefore necessary that, in that exceptional situation, the legal and supervisory arrangements governing UK CCPs are determined as equivalent for a strictly limited period of time and under specific conditions so that those CCPs may continue to provide clearing services in the Union.

⁽¹⁾ OJ L 201, 27.7.2012, p. 1.

⁽²⁾ COM(2018) 880 final.

⁽³⁾ Bank for International Settlement, Statistical release: OTC derivatives statistics at end December 2017 of 3 May 2018 (https://www.bis.org/publ/otc_hy1805.pdf).

- (6) In accordance with Article 25(6) of Regulation (EU) No 648/2012, three conditions must be fulfilled in order to determine that the legal and supervisory arrangements of a third country regarding CCPs authorised therein are equivalent to those laid down in that Regulation.
- (7) First, the legal and supervisory arrangements of a third country must ensure that CCPs in that third country comply with legally binding requirements which are equivalent to the requirements laid down in Title IV of Regulation (EU) No 648/2012. Until 29 March 2019, Regulation (EU) No 648/2012 is directly applicable in the United Kingdom and UK CCPs authorised under Article 14 of that Regulation therefore must comply with its requirements. As part of the European Union (Withdrawal) Act 2018, the United Kingdom incorporated on 26 June 2018 the provisions of Regulation (EU) No 648/2012 into United Kingdom domestic law with effect from the date of the United Kingdom's withdrawal from the Union.
- (8) Second, the legal and supervisory arrangements of the third country must ensure that CCPs established in the third country are subject to effective supervision and enforcement on an ongoing basis. Until 29 March 2019, UK CCPs are under the supervision of the Bank of England, as determined by United Kingdom domestic law in accordance with Regulation (EU) No 648/2012 ⁽¹⁾. As part of the incorporation of Regulation (EU) No 648/2012 into United Kingdom domestic law, the Bank of England remains responsible for the supervision of CCPs and its supervisory and enforcement powers regarding CCPs will remain essentially unchanged.
- (9) Third, the legal framework of the third country must provide for an effective equivalent system for the recognition of CCPs authorised under third-country legal regimes. This is ensured by the incorporation of the equivalence system in Article 25 of Regulation (EU) No 648/2012 into United Kingdom domestic law.
- (10) The Commission concludes that the legal and supervisory arrangements of the United Kingdom applicable to UK CCPs on the day after its withdrawal from the Union meet the conditions laid down in Article 25(6) of Regulation (EU) No 648/2012.
- (11) However, this Decision is based on the legal and supervisory arrangements applicable to UK CCPs on the day after the withdrawal of the United Kingdom from the Union. Those legal and supervisory arrangements should only be considered equivalent where the requirements applicable to CCPs in United Kingdom domestic law are maintained and continue to be effectively applied and enforced on an ongoing basis. The effective exchange of information and coordination of supervisory activities between ESMA and the Bank of England is therefore an essential condition for maintaining the determination of equivalence.
- (12) That exchange of information requires the conclusion of comprehensive and effective cooperation arrangements in accordance with Article 25(7) of Regulation (EU) No 648/2012. Those cooperation arrangements should also ensure the possibility to share all relevant information with the authorities referred to in Article 25(3) of Regulation (EU) No 648/2012, including the European Central Bank and the other members of the European System of Central Banks, for the purpose of consulting those authorities about the recognised status of UK CCPs or where that information is necessary for those authorities to carry out their supervisory tasks.
- (13) In the event of the exceptional situation of the withdrawal of the United Kingdom from the Union without an agreement, cooperation arrangements established pursuant to Article 25(7) of Regulation (EU) No 648/2012 must ensure that ESMA has immediate access, on an ongoing basis, to all information requested by it. That information includes but is not limited to information allowing for the assessment of any material risks posed by UK CCPs to the Union or its Member States, either directly or indirectly. The cooperation arrangements should therefore specify the mechanisms and procedures for the prompt exchange of information related to the clearing activities of UK CCPs with respect to financial instruments denominated in Union currencies, trading venues, clearing participants as well as subsidiaries of Union credit institutions and investment firms; to interoperability arrangements with other CCPs; to own resources; to default funds composition and calibration, to margins, liquid resources and collateral portfolios including haircut calibrations and to stress tests; the prompt notification of any change affecting UK CCPs or the United Kingdom legal and supervisory arrangements applicable to UK CCPs; as well as the mechanism for the prompt notification of ESMA of any developments with regard to UK CCPs that could affect the monetary policy in the Union.

⁽¹⁾ Part 5 of The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013.

- (14) The Commission, in cooperation with ESMA, will monitor any changes introduced in the legal and supervisory arrangements affecting UK CCPs, market developments as well as the effectiveness of supervisory cooperation, including prompt information exchange between ESMA and the Bank of England. The Commission might undertake a review at any time where relevant developments make it necessary for the Commission to re-assess the equivalence granted by this Decision, including where the terms of the cooperation arrangements concluded between ESMA and the Bank of England are not respected or do not allow for an effective assessment of the risk that UK CCPs pose to the Union or its Member States.
- (15) In light of the uncertainties surrounding the future relationship between the United Kingdom and the Union, as well as their potential impact on the financial stability of the Union and its Member States and on the integrity of the Single Market, this Decision should expire on 30 March 2020. The assessment contained in this Decision is therefore without prejudice to any future assessment of the legal and supervisory arrangements of the United Kingdom for CCPs and, as such, should not be relied upon beyond the purposes of this Decision.
- (16) This Decision should enter into force as a matter of urgency and should only apply from the day following that on which the Treaties cease to apply to and in the United Kingdom unless a withdrawal agreement concluded with the United Kingdom has entered into force by that date or the two-year period referred to in Article 50(3) of the Treaty on European Union has been extended.
- (17) The measures provided for in this Decision are in accordance with the opinion of the European Securities Committee,

HAS ADOPTED THIS DECISION:

Article 1

For the purposes of Article 25 of Regulation (EU) No 648/2012, the legal and supervisory arrangements of the United Kingdom of Great Britain and Northern Ireland consisting of the Financial Services and Markets Act 2000 and the European Union (Withdrawal) Act 2018 applicable to central counterparties already established and authorised in the United Kingdom of Great Britain and Northern Ireland shall be considered to be equivalent to the requirements laid down in Regulation (EU) No 648/2012.

Article 2

This Decision shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

It shall apply from the date following that on which the Treaties cease to apply to and in the United Kingdom pursuant to Article 50(3) of the Treaty on European Union.

However, this Decision shall not apply in any of the following cases:

- (a) a withdrawal agreement concluded with the United Kingdom of Great Britain and Northern Ireland in accordance with Article 50(2) of the Treaty on European Union has entered into force by that date;
- (b) a decision has been taken to extend the two year period referred to in Article 50(3) of the Treaty on European Union.

It shall expire on 30 March 2020.

Done at Brussels, 19 December 2018.

For the Commission
The President
Jean-Claude JUNCKER

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