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I

(Acts whose publication is obligatory)

**REGULATION (EC) No 1927/2006 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
of 20 December 2006
on establishing the European Globalisation Adjustment Fund**

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular the third paragraph of Article 159,

Having regard to the proposal from the Commission,

Having regard to the Opinion of the European Economic and Social Committee ⁽¹⁾,

Having regard to the opinion of the Committee of the Regions ⁽²⁾,

Acting in accordance with the procedure laid down in Article 251 ⁽³⁾,

Whereas:

- (1) Notwithstanding the positive effects of globalisation on growth, jobs and prosperity and the need to enhance European competitiveness further through structural change, globalisation may also have negative consequences for the most vulnerable and least qualified workers in some sectors. It is therefore opportune to establish a European Globalisation adjustment Fund (the EGF), accessible to all Member States, through which the Community would show its solidarity towards workers affected by redundancies resulting from changes in world trade patterns.
- (2) It is necessary to preserve European values and to promote the development of fair external trade. The negative effects of globalisation should be tackled in the first instance by a long-term, sustainable Community strategy for trade policy aiming at high social and ecological standards. The assistance provided by the EGF should be dynamic and capable of adapting to constantly changing and often unforeseen circumstances in the market.

- (3) The EGF should provide specific, one-off support to facilitate the re-integration into employment of workers in areas, sectors territories, or labour market regions suffering the shock of serious economic disruption. The EGF should promote entrepreneurship, for example through micro-credits or for setting up cooperative projects.
- (4) Actions under this Regulation should be defined according to strict intervention criteria relating to the scale of economic dislocation and its impact on a given sector or geographical area, to ensure that the financial contribution from the EGF is concentrated on workers in the most seriously affected regions and economic sectors of the Community. Such dislocation is not necessarily concentrated in a single Member State. In such exceptional circumstances, Member States may therefore submit joint requests for assistance from the EGF.
- (5) The activities of the EGF should be coherent and compatible with the other Community policies and comply with its acquis, especially the interventions of the structural funds, while making a genuine contribution to the Community's social policies.
- (6) The Interinstitutional Agreement between the European Parliament, the Council and the Commission of 17 May 2006 on budgetary discipline and sound financial management ⁽⁴⁾ (Interinstitutional Agreement) is binding from 1 January 2007 and Point 28 determines the budgetary framework of the EGF.
- (7) A specific action funded under this Regulation should not receive financial assistance from other Community financial instruments. Coordination with existing or planned modernisation and restructuring measures in the framework of regional development is necessary, however, albeit that such coordination should not result in the creation of parallel or additional management structures for actions funded by the EGF.
- (8) To facilitate the implementation of this Regulation, expenditure should be eligible from the date on which a Member State begins to provide personalised services to the affected workers. Reflecting the need for a concentrated

⁽¹⁾ Opinion delivered on 13 September 2006 (not yet published in the OJ).

⁽²⁾ Opinion delivered on 11 October 2006 (not yet published in the OJ).

⁽³⁾ Opinion of the European Parliament of 13 December 2006 (not yet published in the OJ) and Council Decision of 19 December 2006.

⁽⁴⁾ OJ C 139, 14.6.2006, p. 1.

response aiming specifically at re-integration into employment, a deadline should be set for the use of the financial contribution of the EGF.

- (9) The Member State should remain responsible for the implementation of the financial contribution and for the management and control of the actions supported by Community financing, in accordance with Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽¹⁾. The Member State should justify the use made of the financial contribution received.
- (10) The European Monitoring Centre on Change, based in Dublin, may assist the European Commission and the Member State concerned with qualitative and quantitative analyses in order to help in the evaluation of an application for EGF funds.
- (11) Since the objectives of the action to be taken cannot be sufficiently achieved by the Member States and can therefore, by reason of their scale and effects, be better achieved at Community level, the Community may adopt measures, in accordance with the principles of subsidiarity as set out in Article 5 of the Treaty. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives.
- (12) As the period of implementation of the EGF is linked to the duration of the financial framework from 1 January 2007 to 31 December 2013, support should be available to workers affected by trade-related redundancies from 1 January 2007,

HAVE ADOPTED THIS REGULATION:

Article 1

Subject-matter and scope

1. With the aim of stimulating economic growth and creating more jobs in the European Union, this Regulation establishes the EGF, to enable the Community to provide support for workers made redundant as a result of major structural changes in world trade patterns due to globalisation where these redundancies have a significant adverse impact on the regional or local economy.

Its period of application shall be linked to the Financial Framework, from January 2007 to December 2013.

2. This Regulation lays down rules regarding the operation of the EGF in order to facilitate re-integration into employment of workers affected by trade-related redundancies.

⁽¹⁾ OJ L 248, 16.9.2002, p. 1.

Article 2

Intervention criteria

A financial contribution from the EGF shall be provided where major structural changes in world trade patterns lead to a serious economic disruption, notably a substantial increase of imports into the EU, or a rapid decline of the EU market share in a given sector or a delocalisation to third countries, which results in:

- (a) at least 1 000 redundancies over a period of 4 months in an enterprise in a Member State, including workers made redundant in its suppliers or downstream producers, or
- (b) at least 1 000 redundancies, over a period of 9 months, particularly in small or medium-sized enterprises, in a NACE 2 sector in one region or two contiguous regions at NUTS II level.
- (c) small labour markets or in exceptional circumstances, duly substantiated by the Member State(s) concerned, an application for a contribution from the EGF may be considered admissible even if the conditions laid down in subparagraphs (a) and (b) are not entirely met, when redundancies have a serious impact on employment and the local economy. The aggregated amount of contributions for exceptional circumstances may not exceed 15 % of the EGF each year.

Article 3

Eligible actions

A financial contribution under this Regulation may be made for active labour market measures that form part of a coordinated package of personalised services designed to re-integrate redundant workers into the labour market, including:

- (a) job-search assistance, occupational guidance, tailor-made training and re-training including ICT skills and certification of acquired experience, outplacement assistance and entrepreneurship promotion or aid for self-employment;
- (b) special time-limited measures, such as job-search allowances, mobility allowances or allowances to individuals participating in lifelong learning and training activities; and
- (c) measures to stimulate in particular disadvantaged or older workers, to remain in or return to the labour market.

The EGF shall not finance passive social protection measures.

On the initiative of the Member State, the EGF may finance the preparatory, management, information and publicity, and control activities for its implementation.

*Article 4***Type of financial contribution**

The Commission shall award a financial contribution in the form of a single instalment, which shall be implemented within the framework of shared management between the Member States and the Commission, in accordance with Article 53(1)(b), (5) and (6) of Regulation (EC, Euratom) No 1605/2002.

*Article 5***Applications**

1. The Member State shall submit an application for a contribution from EGF to the Commission within a period of 10 weeks from the date on which the conditions set out in Article 2 for mobilising the EGF are met. The application may be supplemented subsequently by the Member State(s).

2. The application shall contain the following information:

- (a) a reasoned analysis of the link between the planned redundancies and major structural changes in world trade patterns and a demonstration of the number of redundancies and an explanation of the unforeseen nature of those redundancies;
- (b) the identification of the dismissing enterprises (national or multi-national), suppliers or downstream producers, sectors, and the categories of workers to be targeted;
- (c) a description of the territory concerned and its authorities and other stakeholders, and the expected impact of the redundancies as regards local, regional or national employment;
- (d) the coordinated package of personalised services to be funded and a breakdown of its estimated cost, including its complementarity with actions financed by the Structural Funds as well as information on actions that are mandatory by virtue of national law or pursuant to collective agreements;
- (e) the date(s) on which personalised services to the affected workers were started or are planned to be started;
- (f) the procedures followed for consulting the social partners; and
- (g) the authority responsible for management and financial control in accordance with Article 18.

3. Having regard to the actions implemented by the Member State, the region, the social partners and the enterprises concerned by virtue of national law or collective agreements, and paying particular attention to actions funded by the European Social Fund (the ESF), the information provided under paragraph 2 shall include a summary description of the actions taken and planned by the national authority and enterprises concerned, including an estimate of their cost.

4. The Member State(s) concerned shall also provide statistical and other information, at the most appropriate territorial level, which the Commission requires to assess the fulfilment of the intervention criteria.

5. On the basis of the information referred to in paragraph 2 and any additional information submitted by the Member State(s) concerned, the Commission shall assess, in consultation with the Member State, whether the conditions for making a financial contribution under this Regulation are met.

*Article 6***Complementarity, compliance and coordination**

1. Assistance from the EGF shall not replace actions which are the responsibility of companies by virtue of national law or collective agreements.

2. Assistance from the EGF shall complement actions of the Member States at national, regional and local level, including those co-financed by the structural funds.

3. Assistance from the EGF shall provide solidarity and support for individual workers made redundant as a result of structural changes in world trade patterns. The EGF shall not finance the restructuring of companies or sectors.

4. In accordance with their respective responsibilities, the Commission and the Member States shall ensure the coordination of the assistance from Community Funds.

5. The Member States shall ensure that the specific actions receiving a contribution under the EGF shall not also receive assistance from other Community financial instruments.

*Article 7***Equality between women and men and non-discrimination**

The Commission and the Member States shall ensure that equality between men and women and the integration of the gender perspective is promoted during the various stages of implementation of the EGF. The Commission and the Member States shall take appropriate steps to prevent any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the various stages of the implementation of and, in particular, in access to, the EGF.

*Article 8***Technical assistance at the initiative of the Commission**

1. At the initiative of the Commission, subject to a ceiling of 0,35 % of the financial resources available for that year, the EGF may be used to finance monitoring, information, administrative and technical support, audit, control and evaluation activities necessary to implement this Regulation.

2. Such tasks shall be executed in accordance with Regulation (EC, Euratom) No 1605/2002, as well as the implementing rules applicable to this form of implementation of the budget.

*Article 9***Information and publicity**

1. The Member State shall provide information on and publicise the funded actions. The information shall be addressed to the workers concerned, local and regional authorities, social partners, the media and the wider public. It shall highlight the role of the Community and ensure that the contribution from the EGF is visible.

2. The Commission shall set up an Internet site, available in all Community languages, to provide information on the EGF, guidance on the submission of applications, as well as updated information on accepted and refused applications, highlighting the role of the budgetary authority.

*Article 10***Determination of financial contribution**

1. The Commission shall, on the basis of the assessment carried out in accordance with Article 5(5), particularly taking into account the number of workers to be supported, the proposed actions and the estimated costs, evaluate and propose determine as quickly as possible the amount of financial contribution, if any, that may be made within the limits of the resources available.

The amount may not exceed 50 % of the total of the estimated costs referred to in Article 5(2)(d).

2. Where, on the basis of the assessment carried out in accordance with Article 5(5), the Commission has concluded that the conditions for a financial contribution under this Regulation are met, it shall immediately initiate the procedure set out in Article 12.

3. Where, on the basis of the assessment carried out in accordance with Article 5(5), the Commission has concluded that the conditions for a financial contribution under this Regulation are not met, it shall notify the Member State concerned as soon as possible.

*Article 11***Eligibility of expenditure**

Expenditure shall be eligible for a contribution from the EGF from the date(s) on which the Member State concerned starts to provide personalised services to the affected workers, as set out in Article 5(2)(e).

*Article 12***Budget procedure**

1. The arrangements for the EGF shall comply with the provisions of Point 28 of the Interinstitutional Agreement and any revisions of that Point.

2. Appropriations concerning the EGF shall be entered in the general budget of the European Union as a provision through the normal budgetary procedure as soon as the Commission has identified sufficient margins and/or cancelled commitments.

3. Where the Commission has concluded that a financial contribution should be made from the EGF, it shall submit to the budgetary authority a proposal to authorise appropriations corresponding to the amount determined in accordance with Article 10 and a request for the transfer of the amount to the EGF budget line. Proposals may be grouped into batches.

Transfers concerning the EGF shall be carried out pursuant to Article 24(4) of Regulation (EC, Euratom) No 1605/2002.

4. A proposal pursuant to paragraph 3 shall include the following:

(a) the assessment carried out in accordance with Article 5(5), together with a summary of the information on which that assessment is based;

(b) evidence that the criteria laid down in Articles 2 and 6 are met; and

(c) the reasons justifying the amounts proposed.

5. At the same time as it presents its proposal, the Commission shall initiate a trilogue procedure, possibly in simplified form, to seek the agreement of both arms of the budgetary authority on the need to use the EGF and the amount required.

6. On 1 September each year, at least one quarter of the annual maximum amount of the EGF shall remain available in order to cover needs arising until the end of the year.

7. Once the appropriations are made available by the budgetary authority, the Commission shall adopt a decision on a financial contribution.

*Article 13***Payment and use of the financial contribution**

1. Following adoption of the decision in accordance with Article 12(3), the Commission shall pay the financial contribution to the Member State(s) concerned in a single instalment, in principle within 15 days.

2. The Member State shall use the financial contribution, as well as any interest earned thereon, within 12 months of the application pursuant to Article 5.

*Article 14***Use of the Euro**

Applications, decisions on financial contributions and reports under this Regulation, as well as any other related documents, shall express all amounts in Euro.

*Article 15***Final report and closure**

1. No later than six months after the expiry of the period specified in Article 13(2), the Member State concerned shall present a report to the Commission on the execution of the

financial contribution, including information on the type of actions and main outcomes, together with a statement justifying the expenditure and indicating, whenever appropriate, the complementarity of actions with those funded by the ESF.

2. No later than six months after the Commission has received all the information required under paragraph 1, it shall wind up the financial contribution from the EGF.

Article 16

Annual report

1. For the first time in 2008 and before 1 July of each year, the Commission shall present to the European Parliament and to the Council a quantitative and qualitative report on the activities under this Regulation in the previous year. The report shall focus mainly on the results achieved by the EGF and shall in particular contain information relating to applications submitted, Decisions adopted, actions funded including their complementarity with actions funded by the structural funds, notably the ESF, and the winding-up of financial contribution made. It shall also document those requests that have been refused owing to a lack of sufficient appropriations or to non-eligibility.

2. The report will be transmitted, for information, to the European Economic and Social Committee, the Committee of the Regions and the social partners.

Article 17

Evaluation

1. The Commission shall carry out at its own initiative and in close cooperation with the Member States:

- (a) a mid-term evaluation of the effectiveness and sustainability of results obtained by 31 December 2011; and
- (b) an ex-post evaluation by 31 December 2014, with the assistance of external experts, to measure the impact of the EGF and its added value.

2. The results of the evaluation will be transmitted, for information, to the European Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and to the social partners.

Article 18

Management and financial control

1. Without prejudice to the Commission's responsibility for implementing the general budget of the European Communities, the Member States shall take responsibility in the first instance for the management of actions supported by the EGF and the financial control of the actions. To that end, the measures they take shall include:

- (a) verifying that management and control arrangements have been set up and are being implemented in such a way as to

ensure that Community funds are being used efficiently and correctly, in accordance with the principles of sound financial management;

- (b) verifying that the financed actions have been properly carried out;
- (c) ensuring that expenditure funded are based on verifiable supporting documents, are correct and regular; and
- (d) preventing, detecting and correcting irregularities as defined in Article 70 of Council Regulation (EC) No 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1260/1999⁽¹⁾ and recovering amounts unduly paid together with interest on late payments in accordance with the same Article. They shall notify these to the Commission in due time and keep the Commission informed of the progress of administrative and legal proceedings.

2. The Member State shall make the financial corrections required where an irregularity is ascertained. The corrections made by the Member State shall consist in cancelling all or part of the Community contribution. The Member State shall recover any amount lost as a result of an irregularity detected, repay it to the Commission and, where the amount is not repaid in the time allowed by the Member State concerned, default interest shall be due.

3. The Commission, in its responsibility for the implementation of the general budget of the European Communities, shall take every step necessary to verify that the actions financed are carried out in accordance with the principles of sound and efficient financial management, in compliance with the provisions of Regulation (EC, Euratom) No 1605/2002. It is the responsibility of each Member State to ensure that it has smoothly functioning management and control systems; the Commission shall satisfy itself that such systems are in place.

To that end, without prejudice to the powers of the Court of Auditors or the checks carried out by the Member State in accordance with national laws, regulations and administrative provisions, Commission officials or servants may carry out on-the-spot checks, including sample checks, on the actions financed by the Fund with a minimum of one working day's notice. The Commission shall give notice to the Member State concerned with a view to obtaining all the assistance necessary. Officials or servants of the Member State concerned may take part in such checks.

4. The Member State shall ensure that all supporting documents regarding expenditure incurred are kept available for the Commission and the Court of Auditors for a period of three years following the winding-up of the financial contribution received from the EGF.

⁽¹⁾ OJ L 210, 31.7.2006, p. 25.

*Article 19***Reimbursement of financial contribution**

1. In cases where the amount of the actual cost of an action is less than the estimated amount quoted pursuant to Article 12, the Commission shall require the Member State to reimburse a corresponding amount of the financial contribution received.
2. Where the Member State has failed to comply with the obligations stated in the decision on a financial contribution, the Commission shall take the necessary steps to require the Member State to reimburse all or part of the financial contribution received.
3. Prior to the adoption of a decision under paragraphs 1 or 2, the Commission shall conduct a suitable examination of the case and shall, in particular, allow the Member State a specified period of time in which to submit its comments.
4. If, after completing the necessary verifications, the Commission concludes that the Member State is not complying with its obligations under Article 18(1), it shall, if no agreement has been reached and the Member State has not made the corrections in a period set by the Commission, and taking account of any comments made by the Member State, decide within three months from the end of the period referred above to make the financial corrections required by cancelling all or part of the

contribution of the EGF to the action in question. Any amount lost as a result of an irregularity detected shall be recovered and, where the amount is not repaid in the time allowed by the Member State concerned, default interest shall be due.

*Article 20***Review clause**

On the basis of the first annual report provided for in Article 16, the European Parliament and the Council may review this Regulation, on the basis of a proposal by the Commission, to ensure that the solidarity objective of the EGF is met and that its provisions adequately take into account the economic, social and territorial characteristics of all Member States.

The European Parliament and the Council shall in any case review this Regulation by 31 December 2013.

*Article 21***Entry into force**

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

It shall apply from 1 January 2007.

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

Done at Brussels, 20 December 2006.

For the European Parliament,
The President
J. BORREL FONTELLES

For the Council,
The President
J. KORKEAOJA

**REGULATION (EC) No 1928/2006 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
of 20 December 2006**

on amending Council Regulation (EEC) No 571/88 on the organisation of Community surveys on the structure of agricultural holdings, as regards the financial framework for the period 2007-2009 and the maximum Community contribution for Bulgaria and Romania

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 285(1) thereof,

Having regard to the Act of Accession of Bulgaria and Romania, and in particular Article 56 thereof,

Having regard to the proposal from the Commission,

Acting in accordance with the procedure laid down in Article 251 of the Treaty ⁽¹⁾,

Whereas:

- (1) Council Regulation (EEC) No 571/88 ⁽²⁾ provides for the Member States to be reimbursed up to a maximum amount per survey, as a contribution to expenses incurred.
- (2) In order to carry out the surveys on the structure of agricultural holdings, considerable funding will be required from the Member States and from the Community to meet the information requirements of the Community institutions.
- (3) With a view to the accession of Bulgaria and Romania and to conducting surveys on the structure of agricultural holdings in these new Member States in 2007, it is appropriate to provide for a maximum Community contribution per survey; this adaptation is needed by reason of accession and has not been provided for in the Act of Accession.
- (4) This Regulation lays down, for the remainder of the programme, a financial envelope constituting the prime

reference for the budgetary authority during the annual budgetary procedure, within the meaning of point 37 of the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management ⁽³⁾,

HAVE ADOPTED THIS REGULATION:

Article 1

Article 14 of Regulation (EEC) No 571/88 is amended as follows:

- 1) the following indents are added to the first subparagraph:
 - ‘— EUR 2 000 000 for Bulgaria,
 - EUR 2 000 000 for Romania.’;
- 2) the third, fourth and fifth subparagraphs of paragraph 1 are replaced by the following:

‘The financial envelope for the implementation of this programme, including the appropriations necessary for the management of the Eurofarm project, shall be set at EUR 20 400 000 for the period 2007-2009.

The annual appropriations shall be authorised by the budgetary authority within the limits of the financial framework.’.

Article 2

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

Article 1(1) shall apply as from 1 January 2007.

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

Done at Brussels, 20 December 2006.

For the European Parliament
The President
J. BORRELL FONTELLES

For the Council
The President
J. KERKEAOJA

⁽¹⁾ Opinion of the European Parliament of 12 December 2006 (not yet published in the Official Journal) and Council Decision of 20 December 2006.

⁽²⁾ OJ L 56, 2.3.1988, p. 1. Regulation as last amended by Commission Regulation (EC) No 204/2006 (OJ L 34, 7.2.2006, p. 3).

⁽³⁾ OJ C 139, 14.6.2006, p. 1.

COUNCIL REGULATION (EC) No 1929/2006
of 23 October 2006

concerning the implementation of the Agreement in the form of an Exchange of Letters between the European Community and Uruguay pursuant to Article XXIV.6 of the General Agreement on Tariffs and Trade (GATT) 1994, amending Annex I to Regulation (EEC) No 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 133 thereof,

Having regard to the proposal from the Commission,

Whereas:

- (1) Council regulation (EEC) No 2658/87 ⁽¹⁾ established a goods nomenclature, hereinafter referred to as the 'Combined Nomenclature', and set out the conventional duty rates of the Common Customs Tariff.
- (2) By its Decision 2006/997/EC ⁽²⁾ concerning the conclusion of an Agreement in the form of an Exchange of Letters between the European Community and Uruguay, the Council approved, on behalf of the Community, the before mentioned Agreement with a view to closing negotiations initiated pursuant to Article XXIV:6 of GATT 1994,

HAS ADOPTED THIS REGULATION:

Article 1

Annex 7 of Section III of Part three (WTO quotas to be opened by the Competent Community authorities) of Annex I to Regulation (EEC) No 2658/87 is hereby amended as follows:

- (1) Under CN Code 0201 30 00 the definition of the tariff rate quota of 4 000 tonnes 'Boneless High-quality meat fresh, chilled or frozen: Special or good-quality beef cuts obtained from exclusively pasture-grazed animals presenting a slaughter liveweight not exceeding 460 kilograms, referred to as "special boxed beef". These cuts may bear the letters "sc" (special cuts)' shall be replaced by:

'Boneless High-quality meat of bovine animals, fresh, chilled or frozen'.
- (2) The following words shall be inserted under "other terms and conditions": 'Supplying country Uruguay'.

Article 2

This Regulation shall enter into force on the day following 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 Luxembourg, 23 October 2006.

For the Council
The President
J.-E. ENESTAM

⁽¹⁾ OJ L 256, 7.9.1987, p. 1. Regulation as last amended by Regulation (EC) No 1758/2006 (OJ L 335, 1.12.2006, p. 1).

⁽²⁾ See page 10 of this Official Journal.

COUNCIL REGULATION (EC) No 1930/2006**of 20 December 2006****amending Annex I to Regulation (EEC) No 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 26 thereof,

Having regard to the proposal from the Commission,

Whereas:

- (1) Following the negotiations in the framework of the Uruguay Round, provision was made in the Combined Nomenclature (CN), laid down in Annex I to Council Regulation (EEC) No 2658/87 ⁽¹⁾, for an exemption from tariff duties for pharmaceutical products falling under Chapter 30 of the CN.
- (2) Sterile surgical or dental adhesion barriers, whether or not absorbable, and appliances identifiable for ostomy use are currently classified in different chapters of the CN and are subject to a 6,5 % rate of duty. However, after 1 January 2007, they are to be classified in Chapter 30 of the CN as a result of the amendments to the Nomenclature appended as an annex to the International Convention on the Harmonized Commodity Description and Coding System, accepted pursuant to the Recommendation of 26 June 2004 of the Customs Co-operation Council.
- (3) For reasons of public health, it is in the Community interest to extend autonomously to those goods the exemption for pharmaceutical products falling under Chapter 30 of the CN. That should be done by means of a suspension of duties for an indefinite period.
- (4) Regulation (EEC) No 2658/87 should therefore be amended accordingly.
- (5) Since the amendment introduced by this Regulation is to be applied from the same date as the CN for 2007, laid down in Regulation (EC) No 1549/2006 ⁽²⁾, this Regulation

should enter into force immediately and apply from 1 January 2007.

- (6) In view of the economic importance of this Regulation, it is necessary to rely upon the grounds of urgency provided for in point I.3 of the Protocol annexed to the Treaty on European Union and to the Treaties establishing the European Communities on the role of national parliaments in the European Union,

HAS ADOPTED THIS REGULATION:

Article 1

Section VI, Chapter 30 of Part Two (Schedule of customs duties) of Annex I to Regulation (EEC) No 2658/87 is hereby amended as follows:

- 1) in the entry for CN code 3006 10 30, the text in the third column shall be replaced by the following:

'6,5 (*)

(*) Customs duty autonomously suspended for an indefinite period.;

- 2) in the entry for CN code 3006 91 00, the text in the third column shall be replaced by the following:

'6,5 (*)

(*) Customs duty autonomously suspended for an indefinite period.;

Article 2

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

It shall apply from 1 January 2007.

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

Done at Brussels, 20 December 2006.

For the Council
The President
J. KORKEAOJA

⁽¹⁾ OJ L 256, 7.9.1987, p. 1. Regulation as last amended by Regulation (EC) No 1758/2006 (OJ L 335, 1.12.2006, p. 1).

⁽²⁾ OJ L 301, 31.10.2006, p. 1

II

(Acts whose publication is not obligatory)

COUNCIL

COUNCIL DECISION

of 23 October 2006

on the conclusion of an Agreement in the form of an Exchange of Letters between the European Community and Uruguay

(2006/997/EC)

THE COUNCIL OF THE EUROPEAN UNION,

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

Having regard to the proposal from the Commission,

Whereas:

- (1) On 22 March 2004 the Council authorised the Commission to open negotiations with certain other Members of the WTO under Article XXIV.6 of the General Agreement on Tariffs and Trade (GATT) 1994, in the course of the accessions to the European Union of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Poland, the Republic of Slovenia and the Slovak Republic.
- (2) Negotiations have been conducted by the Commission in consultation with the Committee established by Article 133 of the Treaty and within the framework of the negotiating directives issued by the Council.
- (3) The Commission has finalised negotiations for an Agreement in the form of an Exchange of Letters between the European Community and Uruguay. The Agreement should be approved,

HAS DECIDED AS FOLLOWS:

Article 1

The Agreement in the form of an Exchange of Letters between the European Community and Uruguay relating to the modification of concessions in the schedules of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Poland, the Republic of Slovenia and the Slovak Republic in the course of the accession to the European Community is hereby approved on behalf of the Community.

The text of the Agreement in the form of an Exchange of Letters is attached to this Decision.

Article 2

The President of the Council is hereby authorised to designate the person(s) empowered to sign the Agreement in the form of an Exchange of Letters in order to bind the Community.

Done at Luxembourg, 23 October 2006.

For the Council
The President
J.-E. ENESTAM

AGREEMENT

in the form of an Exchange of Letters between the European Community and Uruguay relating to the modification of concessions in the schedules of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Poland, the Republic of Slovenia and the Slovak Republic in the course of accession to the European Community

A. *Letter from the European Community*

Geneva,

Sir,

Following the initiation of negotiations between the European Community (EC) and Uruguay under Article XXIV:6 and Article XXVIII of GATT 1994 for the modification of concessions in the schedules of Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Poland, the Republic of Slovenia and the Slovak Republic in the course of their accession to the EC, the following is agreed between the EC and Uruguay with a view to close the negotiations opened following the EC's notification of 19 January 2004 pursuant to Article XXIV:6 (GATT):

The EC shall incorporate in its schedule CLX, for the customs territory of EC 25, the concessions that were included in its previous schedule.

The EC shall adjust the definition of EC tariff rate quota of 4 000 tonnes for 'high quality meat of bovine animals, fresh, chilled or frozen' as allocated to Uruguay.

This agreement shall enter into force on the date of signature, following the approval by the parties in accordance with their own procedures.

On behalf of the European Community



B. *Letter from Uruguay*

Geneva,

Sir,

Reference is made to your letter saying:

'Following the initiation of negotiations between the European Communities (EC) and Uruguay under Article XXIV:6 and Article XXVIII of GATT 1994 for the modification of concessions in the schedules of Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Poland, the Republic of Slovenia and the Slovak Republic in the course of their accession to the EC, the following is agreed between the EC and Uruguay with a view to close the negotiations opened following the EC's notification of 19 January 2004 pursuant to Article XXIV:6 (GATT):

The EC shall incorporate in its schedule CLX, for the customs territory of EC 25, the concessions that were included in its previous schedule.

The EC shall adjust the definition of EC tariff rate quota of 4 000 tonnes for "high quality meat of bovine animals, fresh, chilled or frozen" as allocated to Uruguay.

This agreement shall enter into force on the date of signature, following the approval by the parties in accordance with their own procedures.'

I hereby have the honour to express my government's agreement.

On behalf of Uruguay


