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Acts whose titles are printed in light type are those relating to day-to-day management of agricultural matters, and are generally valid for a limited period.

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II

(Non-legislative acts)

REGULATIONS

COMMISSION DELEGATED REGULATION (EU) 2018/171

of 19 October 2017

on supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards for the materiality threshold for credit obligations past due

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

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

Having regard to Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 ⁽¹⁾, and in particular the third subparagraph of Article 178(6) thereof,

Whereas:

- (1) Since the market and economic conditions within the same jurisdiction are similar, the competent authorities should set one single threshold for the assessment of materiality of a credit obligation as referred to in Article 178(1)(b) of Regulation (EU) No 575/2013 for all institutions in their respective jurisdictions. Such a materiality threshold, that should remain consistent over time, brings the added benefit of increased comparability of capital requirements among institutions in the same jurisdiction.
- (2) On the one hand, the amount that can be considered material depends on the level of the overall credit obligation. On the other hand, institutions tend to consider all amounts below a certain level as immaterial, regardless of their relation to the overall credit obligation. Therefore, the materiality threshold should consist of two components; an absolute component (an absolute amount) and a relative component (the percentage of the overall credit obligation that the amount past due represents). The past due credit obligation should, as a consequence, be considered material when both the limit expressed as an absolute amount and the limit expressed as a percentage are exceeded.
- (3) Between various obligors, there are significant differences in average income and average amounts of credit obligations. Therefore, the materiality thresholds should be differentiated accordingly, with separate absolute components of the threshold for retail exposures and for other exposures.
- (4) The materiality threshold should be adapted to the local particularities of each jurisdiction. The differences in economic conditions, including the different price levels in jurisdictions, justify that the absolute component of the materiality threshold can vary from jurisdiction to jurisdiction. Such differentiation, however, is rarely justified with regard to the relative component. As a result, the relative component should in principle be the same in all jurisdictions, while some flexibility should be allowed for the absolute component. This will enable the competent authorities to set the materiality threshold at an appropriate level, up to a specified maximum, taking into account the specific conditions in their respective jurisdictions.

⁽¹⁾ OJ L 176, 27.6.2013, p. 1.

- (5) Even though the conditions for setting the materiality threshold across the different jurisdictions in the Union should be harmonised, some differences in the levels of the thresholds applicable in the different jurisdictions should be allowed to remain, reflecting different levels of risk that are perceived as reasonable by relevant competent authorities under national market specificities. The appropriate level of the materiality threshold might therefore have to be discussed in the framework of the different colleges of supervisors.
- (6) The materiality threshold can have a significant impact on the calculation of capital requirements and expected losses for all institutions in the relevant jurisdiction, irrespective of the method used for such calculation. For those reasons, when defining the materiality threshold, the competent authorities should take into account a variety of factors, including the specific risk characteristics of retail exposures. The specific risk characteristics for retail exposures and exposures other than retail exposures should be considered separately
- (7) The materiality threshold set by a competent authority of a particular jurisdiction might also have to be applied by institutions operating on a cross-border basis. The level of a threshold set by the competent authority of another jurisdiction might therefore be an important factor when a competent authority is assessing whether the level of risk reflected by a certain threshold is reasonable. Therefore, materiality thresholds defined by the competent authorities should be transparent and should be notified to the European Banking Authority (EBA) so that they can be made public.
- (8) The competent authorities should set the materiality threshold at a level that corresponds to the level of risk they consider reasonable. As that level of risk depends on the way the materiality threshold is applied in the default identification process, it is necessary for competent authorities when setting the threshold to make certain assumptions about how the amounts and ratios which will be compared with the absolute and relative component of the materiality threshold will be calculated and at which stage of the default identification process the materiality threshold applies. In that context, the threshold should be set in such a way that institutions are able to identify obligors that pose significantly higher risks because of partial or irregular but systematically late payments, and to identify a material credit obligation past due in a timely manner.
- (9) The materiality of past due credit obligations forms part of the definition of default in Article 178(1)(b) of Regulation (EU) No 575/2013. For institutions that use the Internal Ratings Based Approach ('IRB Approach'), any change of that definition leads to material changes in the rating systems that are used for calculating own funds requirements for credit risk. Therefore, a competent authority should not change the materiality threshold unless it is inadequate due to changed market or economic conditions leading to significant distortions in the default identification processes
- (10) The competent authorities should be allowed to defer the application of the materiality thresholds for institutions that are required to perform material changes to their IRB models and for institutions for which the implementation of such thresholds is burdensome because their previous approach for determining the materiality of past due exposures is significantly different from those thresholds. Furthermore, for institutions using the IRB Approach but applying the Standardised Approach to part of their exposures on the basis of Article 148 or 150 of Regulation (EU) No 575/2013, the date of application of the new materiality thresholds should be aligned for all exposures of those institutions. However, to prevent excessive delays in the application of thresholds across the Union, such longer periods should be limited.
- (11) The competent authorities should be allowed sufficient time to perform the comprehensive analysis necessary for setting the materiality threshold at a reasonable level.
- (12) This Regulation is based on the draft regulatory technical standards submitted by the EBA to the Commission
- (13) The EBA has conducted open public consultations on the draft regulatory technical standards on which this Regulation is based, analysed the potential related costs and benefits and requested the opinion of the Banking Stakeholder Group established in accordance with Article 37 of Regulation (EU) No 1093/2010 of the European Parliament and of the Council ⁽¹⁾,

⁽¹⁾ Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC (OJ L 331, 15.12.2010, p. 12).

HAS ADOPTED THIS REGULATION:

Article 1

Conditions for setting the materiality threshold for retail exposures

1. A competent authority shall set for all institutions in its jurisdiction a single materiality threshold for retail exposures.

However, for institutions applying the definition of default laid down in points (a) and (b) of the first subparagraph of Article 178(1) of Regulation (EU) 575/2013 at the level of an individual credit facility, the competent authority may set a separate single materiality threshold for retail exposures.

2. The materiality threshold referred to in the first subparagraph of paragraph 1 shall consist of an absolute and a relative component.

The absolute component shall be expressed as a maximum amount for the sum of all amounts past due owed by an obligor to the institution, the parent undertaking of that institution or any of its subsidiaries ('credit obligation past due'). The maximum amount shall not exceed 100 EUR or the equivalent of that amount in the relevant national currency.

The relative component shall be expressed as a percentage reflecting the amount of the credit obligation past due in relation to the total amount of all on-balance sheet exposures to that obligor of the institution, the parent undertaking of that institution or any of its subsidiaries, excluding equity exposures. The percentage shall be between 0 % and 2,5 % and shall be set at 1 % whenever that percentage reflects a level of risk that the competent authority considers to be reasonable in accordance with Article 3

3. The materiality threshold referred to in the second subparagraph of paragraph 1 shall be set in accordance with the conditions laid down in paragraph 2, with the only difference that 'credit obligation past due' and 'total amount of all on-balance sheet exposures of the institution to that obligor, excluding equity exposures' shall refer to the amounts of the credit obligation of the obligor that result from a single credit facility granted by the institution, the parent undertaking or any of its subsidiaries.

4. When setting the materiality threshold in accordance with this Article, the competent authority shall take into account the risk characteristics of retail exposures and the specification of retail exposures as set out in Article 147 of Regulation (EU) No 575/2013 for banks applying the Internal Ratings Based Approach and in Article 123 of that Regulation for institutions that apply the Standardised Approach.

5. When setting the materiality threshold in accordance with this Article, the competent authority shall assume that the obligor is defaulted when both the limit expressed as the absolute component of the materiality threshold and the limit expressed as the relative component of that threshold are exceeded either for 90 consecutive days or for 180 consecutive days, where all of the exposures included in the calculation of the credit obligation past due are secured by residential or SME commercial real estate and the 90 days have been replaced by 180 days in accordance with Article 178(1)(b) of Regulation (EU) No 575/2013 for those exposures.

Article 2

Materiality threshold for exposures other than retail exposures

1. A competent authority shall set for all institutions in its jurisdiction a single materiality threshold for exposures other than retail exposures.

2. The materiality threshold referred to in paragraph 1 shall be set in accordance with the conditions laid down in Article 1(2) with the only difference that the absolute component of that materiality threshold shall not exceed 500 EUR or the equivalent of that amount in the relevant national currency.

3. When setting the materiality threshold in accordance with this Article, the competent authority shall take into account the risk characteristics of exposures other than retail exposures.

4. When setting the materiality threshold in accordance with this Article, the competent authority shall assume that the obligor is defaulted when both the limit expressed as the absolute component of the materiality threshold and the limit expressed as the relative component of that threshold are exceeded either for 90 consecutive days or for 180 consecutive days, where the exposures included in the calculation of the credit obligation past due are exposures to a public sector entity and the 90 days have been replaced by 180 days in accordance with Article 178(1)(b) of Regulation (EU) No 575/2013 for those exposures.

Article 3

Level of risk

A competent authority shall consider that a materiality threshold reflects a reasonable level of risk, pursuant to the requirements in Article 178(2)(d) of Regulation (EU) No 575/2013, where that threshold neither leads to the recognition of an excessive number of defaults that are due to other circumstances than financial difficulties of an obligor nor to significant delays in the recognition of defaults that are due to financial difficulties of an obligor.

Article 4

Notification of the materiality thresholds

A competent authority shall notify EBA of the materiality thresholds set in its jurisdiction. A component authority setting the relative component of the materiality threshold at a higher or lower percentage than 1 % shall substantiate that choice to EBA.

Article 5

Updating of the materiality thresholds

Where the absolute component of the materiality threshold is set in a currency other than the euro and where, due to volatility of currency exchange rates, the equivalent of that component is higher than 100 EUR for retail exposures or 500 EUR for exposures other than retail exposures, the threshold shall remain unchanged, unless the competent authority substantiates to EBA that the materiality threshold no longer reflects a level of risk that the competent authority considers to be reasonable.

Article 6

Date of application of the materiality thresholds

A competent authority shall set a date for the application of the materiality threshold which may vary for different categories of institutions but which shall be no later than 31 December 2020 for institutions using the Standardised Approach laid down in Part Three, Title II, Chapter 2 of Regulation (EU) 575/2013.

Article 7

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 7 May 2018.

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

Done at Brussels, 19 October 2017.

For the Commission

The President

Jean-Claude JUNKER

COMMISSION DELEGATED REGULATION (EU) 2018/172**of 28 November 2017****amending Annexes I and V to Regulation (EU) No 649/2012 of the European Parliament and of the Council concerning the export and import of hazardous chemicals****(Text with EEA relevance)**

THE EUROPEAN COMMISSION,

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

Having regard to Regulation (EU) No 649/2012 of the European Parliament and of the Council of 4 July 2012 concerning the export and import of hazardous chemicals ⁽¹⁾, and in particular Article 23(4) thereof,

Whereas:

- (1) Regulation (EU) No 649/2012 implements the Rotterdam Convention on the Prior Informed Consent Procedure for certain hazardous chemicals and pesticides in international trade ('Rotterdam Convention'), signed on 11 September 1998 and approved, on behalf of the European Community, by Council Decision 2003/106/EC ⁽²⁾.
- (2) The substance 3-decen-2-one has not been approved in accordance with Regulation (EC) No 1107/2009 of the European Parliament and of the Council ⁽³⁾, with the effect that that substance is banned for use as a pesticide and thus should be added to the lists of chemicals contained in Parts 1 and 2 of Annex I to Regulation (EU) No 649/2012.
- (3) No application for renewal of the approval of the active substance carbendazim was submitted in accordance with Regulation (EC) No 1107/2009, with the effect that carbendazim is banned for use as a pesticide in the group of plant protection products and thus should be added to the list of chemicals contained in Part 1 of Annex I to Regulation (EU) No 649/2012.
- (4) No application for renewal of the approval of the active substance tepraloxymid was submitted in accordance with Regulation (EC) No 1107/2009, with the effect that tepraloxymid is banned for use as a pesticide and thus should be added to the lists of chemicals contained in Parts 1 and 2 of Annex I to Regulation (EU) No 649/2012.
- (5) The substances cybutryne and triclosan have not been approved for use in biocidal products in accordance with Regulation (EU) No 528/2012 of the European Parliament and of the Council ⁽⁴⁾, with the effect that those substances are banned for use as a pesticide and thus should be added to the lists of chemicals contained in Parts 1 and 2 of Annex I to Regulation (EU) No 649/2012.
- (6) The substance triflumuron has not been approved for use in biocidal products in accordance with Regulation (EU) No 528/2012, with the effect that that substance is banned for use in the sub-category 'other pesticide including biocides' and thus should be added to the list of chemicals contained in Part 1 of Annex I to Regulation (EU) No 649/2012.
- (7) The substances 5-tert-butyl-2,4,6-trinitro-m-xylene, benzyl butyl phthalate, diisobutyl phthalate, diarsenic pentaoxide and tris (2-chloroethyl) phosphate are listed in Annex XIV to Regulation (EC) No 1907/2006 of the European Parliament and of the Council ⁽⁵⁾ since they have been identified as substances of very high concern. Consequently, those substances are subject to authorisation. Since no authorisations were granted, those substances are severely restricted for industrial use. Therefore, those substances should be added to Parts 1 and 2 of Annex I to Regulation (EU) No 649/2012.

⁽¹⁾ OJ L 201, 27.7.2012, p. 60.

⁽²⁾ Council Decision 2003/106/EC of 19 December 2002 concerning the approval, on behalf of the European Community, of the Rotterdam Convention on the Prior Informed Consent Procedure for certain hazardous chemicals and pesticides in international trade (OJ L 63, 6.3.2003, p. 27).

⁽³⁾ Regulation (EC) No 1107/2009 of the European Parliament and of the Council of 21 October 2009 concerning the placing of plant protection products on the market and repealing Council Directives 79/117/EEC and 91/414/EEC (OJ L 309, 24.11.2009, p. 1).

⁽⁴⁾ Regulation (EU) No 528/2012 of the European Parliament and of the Council of 22 May 2012 concerning the making available on the market and use of biocidal products (OJ L 167, 27.6.2012, p. 1).

⁽⁵⁾ Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the registration, evaluation, authorisation and restriction of chemicals (REACH), establishing a European Chemicals Agency, amending Directive 1999/45/EC and repealing Council Regulation (EEC) No 793/93 and Commission Regulation (EC) No 1488/94 as well as Council Directive 76/769/EEC and Commission Directives 91/155/EEC, 93/67/EEC, 93/105/EC and 2000/21/EC (OJ L 396, 30.12.2006, p. 1).

- (8) At its seventh meeting held from 4 to 15 May 2015, the Conference of the Parties to the Rotterdam Convention decided to include methamidophos in Annex III to that Convention, with the effect that that chemical became subject to the prior informed consent procedure under that Convention. The Conference of the Parties also decided to delete the existing entry in Annex III for 'methamidophos (soluble liquid formulations of the substance that exceed 600 g active ingredient/l)'. Those changes should thus be reflected in the lists of chemicals contained in Parts 1 and 3 of Annex I to Regulation (EU) No 649/2012.
- (9) At its seventh meeting held from 4 to 15 May 2015, the Conference of the Parties to the Stockholm Convention on Persistent Organic Pollutants ('Stockholm Convention'), which was approved by Council Decision 2006/507/EC ⁽¹⁾, decided to include the substances hexachlorobutadiene and polychlorinated naphthalenes in Annex A to that Convention. Those substances are listed in Part B of Annex I to Regulation (EC) No 850/2004 of the European Parliament and of the Council ⁽²⁾ and thus should be added to Part 1 of Annex V to Regulation (EU) No 649/2012 in order to implement the Stockholm Convention.
- (10) By Commission Regulation (EU) 2016/293 ⁽³⁾, the chemical hexabromocyclododecane (HBCDD) was added to Part A of Annex I to Regulation (EC) No 850/2004 following the decision taken at the sixth meeting of the Conference of the Parties to the Stockholm Convention, held from 28 April to 10 May 2013, to list that chemical in Part 1 of Annex A to that Convention. Consequently, that chemical should be added to Part 1 of Annex V to Regulation (EU) No 649/2012.
- (11) The Stockholm Convention allows recycling of articles that contain or may contain tetra- and pentabromodiphenyl ether or hexa- and heptabromodiphenyl ether, and the use and final disposal of articles manufactured from recycled materials that contain those substances provided that steps are taken to prevent exports of such articles that contain levels or concentrations of those substances exceeding those permitted for the sale, use, import or manufacture of those articles within the territory of the respective Party. In order to implement that obligation in the Union, articles containing concentrations of those substances at or above 0,1 % by weight when produced partially or fully from recycled materials or materials from waste prepared for re-use should be prohibited for export by adding them to Part 1 of Annex V to Regulation (EU) No 649/2012.
- (12) Regulation (EU) No 649/2012 should therefore be amended accordingly.
- (13) It is appropriate to provide for a reasonable period of time for all interested parties to take the measures necessary to comply with this Regulation and for Member States to take the measures necessary for its implementation,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EU) No 649/2012 is amended as follows:

- (1) Annex I is amended in accordance with Annex I to this Regulation;
- (2) Annex V is amended in accordance with Annex II to this Regulation.

Article 2

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 April 2018.

⁽¹⁾ Council Decision 2006/507/EC of 14 October 2004 concerning the conclusion, on behalf of the European Community, of the Stockholm Convention on Persistent Organic Pollutants (OJ L 209, 31.7.2006, p. 1).

⁽²⁾ Regulation (EC) No 850/2004 of the European Parliament and of the Council of 29 April 2004 on persistent organic pollutants and amending Directive 79/117/EEC (OJ L 158, 30.4.2004, p. 7).

⁽³⁾ Commission Regulation (EU) 2016/293 of 1 March 2016 amending Regulation (EC) No 850/2004 of the European Parliament and of the Council on persistent organic pollutants as regards Annex I (OJ L 55, 2.3.2016, p. 4).

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

Done at Brussels, 28 November 2017.

For the Commission

The President

Jean-Claude JUNKER

ANNEX I

Annex I to Regulation (EU) No 649/2012 is amended as follows:

(1) Part 1 is amended as follows:

(a) the entry for methamidophos is replaced by the following entry:

Chemical	CAS No	Einecs No	CN code (***)	Sub-category (*)	Use limitation (**)	Countries for which no notification is required
Methamidophos (#)	10265-92-6	233-606-0	ex 2930 80 00	p(1)	b';	

(b) the entry for methamidophos (soluble liquid formulations of the substance that exceed 600 g active ingredient/l) is deleted;

(c) the following entries are added:

Chemical	CAS No	Einecs No	CN code (***)	Sub-category (*)	Use limitation (**)	Countries for which no notification is required
'3-decen-2-one (*)	10519-33-2	234-059-0	ex 2914 19 90	p(1)	b	
5-tert-butyl-2,4,6-trinitro-m-xylene (*)	81-15-2	201-329-4	ex 2904 20 00	i(1) - i(2)	sr	
Benzyl butyl phthalate (*)	85-68-7	201-622-7	ex 2917 34 00	i(1) - i(2)	sr	
Carbendazim	10605-21-7	234-232-0	ex 2933 99 80	p(1)	b	
Cybutryne (*)	28159-98-0	248-872-3	ex 2933 69 80	p(2)	b	
Diisobutyl phthalate (*)	84-69-5	201-553-2	ex 2917 34 00	i(1) - i(2)	sr	
Diarsenic pentaoxide (*)	1303-28-2	215-116-9	ex 2811 29 90	i(1) - i(2)	sr	
Tepraloxymid (*)	149979-41-9	n.a.	ex 2932 99 00	p(1)	b	
Triclosan (*)	3380-34-5	222-182-2	ex 2909 50 00	p(2)	b	
Triflumuron	64628-44-0	264-980-3	ex 2924 21 00	p(2)	b	
Tris (2-chloroethyl) phosphate (*)	115-96-8	204-118-5	ex 2919 90 00	i(1) - i(2)	sr';	

(2) Part 2 is amended as follows:

(a) the entry for methamidophos is deleted;

(b) the following entries are added:

Chemical	CAS No	Einecs No	CN code (***)	Category (*)	Use limitation (**)
'3-decen-2-one	10519-33-2	234-059-0	ex 2914 19 90	p	b
5-tert-butyl-2,4,6-trinitro-m-xylene	81-15-2	201-329-4	ex 2904 20 00	i	sr
Benzyl butyl phthalate	85-68-7	201-622-7	ex 2917 34 00	i	sr

Chemical	CAS No	Einecs No	CN code (***)	Category (*)	Use limitation (**)
Cybutryne	28159-98-0	248-872-3	ex 2933 69 80	p	b
Diisobutyl phthalate	84-69-5	201-553-2	ex 2917 34 00	i	sr
Diarsenic pentaoxide	1303-28-2	215-116-9	ex 2811 29 90	i	sr
Tepraloxymid	149979-41-9	n.a.	ex 2932 99 00	p	b
Triclosan	3380-34-5	222-182-2	ex 2909 50 00	p	b
Tris (2-chloroethyl) phosphate	115-96-8	204-118-5	ex 2919 90 00	i	sr';

(3) Part 3 is amended as follows:

(a) the following entry is added:

Chemical	Relevant CAS number(s)	HS code Pure substance (**)	HS code Mixtures containing substance (**)	Category
Methamidophos	10265-92-6	ex 2930.80	ex 3808.59	Pesticide';

(b) the entry for methamidophos (soluble liquid formulations of the substance that exceed 600 g active ingredient/l) is deleted.

ANNEX II

In Part 1 of Annex V to Regulation (EU) No 649/2012 the following entries are added:

Description of chemicals/article(s) subject to export ban	Additional details, where relevant (e.g. name of chemical, EC No, CAS No, etc.)	
	Hexachlorobutadiene	EC No 201-765-5 CAS No 87-68-3 CN code 2903 29 00
	Polychlorinated naphthalenes	EC No 274-864-4 CAS No 70776-03-3 and others CN code 3824 99 93
	Hexabromocyclododecane	EC No 247-148-4, 221-695-9 CAS No 25637-99-4, 3194-55-6, 134237-50-6, 134237-51-7, 134237-52-8 and others CN code 2903 89 80
Articles containing concentrations at or above 0,1 % of tetra-, penta-, hexa- or heptabromodiphenyl ether by weight when produced partially or fully from recycled materials or materials from waste prepared for re-use	Tetrabromodiphenyl ether	EC No 254-787-2 and others CAS No 40088-47-9 and others CN code 2909 30 38
	Pentabromodiphenyl ether	EC No 251-084-2 and others CAS No 32534-81-9 and others CN code 2909 30 31
	Hexabromodiphenyl ether	EC No 253-058-6 and others CAS No 36483-60-0 and others CN code 2909 30 38
	Heptabromodiphenyl ether	EC No 273-031-2 and others CAS No 68928-80-3 and others CN code 2909 30 38'.

COMMISSION DELEGATED REGULATION (EU) 2018/173**of 29 November 2017****amending Regulation (EU) 2015/936 of the European Parliament and of the Council as regards updating the Combined Nomenclature codes listed in Annex I to that Regulation**

THE EUROPEAN COMMISSION,

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

Having regard to Regulation (EU) 2015/936 of the European Parliament and of the Council of 9 June 2015 on common rules for imports of textile products from certain third countries not covered by bilateral agreements, protocols or other arrangements, or by other specific Union import rules ⁽¹⁾, and in particular Article 35 thereof,

Whereas:

- (1) Common rules for imports of textile products from certain third countries not covered by bilateral agreements, protocols or other arrangements, or by other specific Union import rules are laid down in Regulation (EU) 2015/936. Annex I to that Regulation determines the textile products referred to in Article 1 by listing the relevant Combined Nomenclature codes.
- (2) Council Regulation (EEC) No 2658/87 ⁽²⁾ set up the Combined Nomenclature. Annex I to that Regulation is updated every year and published as a stand-alone Implementing Regulation to align the Combined Nomenclature with the possible changes adopted by the World Customs Organisation with regard to the Harmonised System nomenclature or within the framework of the World Trade Organisation with regard to conventional duty rates.
- (3) On 6 October 2016 the Commission adopted Implementing Regulation (EU) 2016/1821 ⁽³⁾, which modified the nomenclature of some products covered by Annex I to Regulation (EU) 2015/936.
- (4) In order to align Regulation (EU) 2015/936 with Implementing Regulation (EU) 2016/1821, Annex I to Regulation (EU) 2015/936 should be amended accordingly,

HAS ADOPTED THIS REGULATION:

Article 1

Annex I to Regulation (EU) 2015/936 is amended in accordance with the Annex to this Regulation.

Article 2

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, 29 November 2017.

For the Commission

The President

Jean-Claude JUNCKER

⁽¹⁾ OJ L 160, 25.6.2015, p. 1.

⁽²⁾ Council Regulation (EEC) No 2658/87 of 23 July 1987 on the tariff and statistical nomenclature and on the Common Customs Tariff (OJ L 256, 7.9.1987, p. 1).

⁽³⁾ Commission Implementing Regulation (EU) 2016/1821 of 6 October 2016 amending Annex I to Council Regulation (EEC) No 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff (OJ L 294, 28.10.2016, p. 1).

ANNEX

In Annex I, Section A is replaced by the following:

'A. TEXTILE PRODUCTS REFERRED TO IN ARTICLE 1

1. Without prejudice to the rules for the interpretation of the Combined Nomenclature (CN), the wording of the description of goods is considered to be of indicative value only since the products covered by each category are determined, within this Annex, by CN codes. Where there is an "ex" symbol in front of a CN code, the products covered in each category are determined by the scope of the CN code and by that of the corresponding description.
2. Garments which are not recognisable as being garments for men or boys or as being garments for women or girls are classified with the latter.
3. Where the expression "babies' garments" is used, this is meant to cover garments up to and including commercial size 86.

Category	Description CN code 2017	Table of equivalence	
		pieces/kg	g/piece
GROUP I A			
1	Cotton yarn, not put up for retail sale		
	5204 11 00, 5204 19 00, 5205 11 00, 5205 12 00, 5205 13 00, 5205 14 00, 5205 15 10, 5205 15 90, 5205 21 00, 5205 22 00, 5205 23 00, 5205 24 00, 5205 26 00, 5205 27 00, 5205 28 00, 5205 31 00, 5205 32 00, 5205 33 00, 5205 34 00, 5205 35 00, 5205 41 00, 5205 42 00, 5205 43 00, 5205 44 00, 5205 46 00, 5205 47 00, 5205 48 00, 5206 11 00, 5206 12 00, 5206 13 00, 5206 14 00, 5206 15 00, 5206 21 00, 5206 22 00, 5206 23 00, 5206 24 00, 5206 25 00, 5206 31 00, 5206 32 00, 5206 33 00, 5206 34 00, 5206 35 00, 5206 41 00, 5206 42 00, 5206 43 00, 5206 44 00, 5206 45 00, ex 5604 90 90		
2	Woven fabrics of cotton, other than gauze, terry fabrics, narrow woven fabrics, pile fabrics, chenille fabrics, tulle and other net fabrics		
	5208 11 10, 5208 11 90, 5208 12 16, 5208 12 19, 5208 12 96, 5208 12 99, 5208 13 00, 5208 19 00, 5208 21 10, 5208 21 90, 5208 22 16, 5208 22 19, 5208 22 96, 5208 22 99, 5208 23 00, 5208 29 00, 5208 31 00, 5208 32 16, 5208 32 19, 5208 32 96, 5208 32 99, 5208 33 00, 5208 39 00, 5208 41 00, 5208 42 00, 5208 43 00, 5208 49 00, 5208 51 00, 5208 52 00, 5208 59 10, 5208 59 90, 5209 11 00, 5209 12 00, 5209 19 00, 5209 21 00, 5209 22 00, 5209 29 00, 5209 31 00, 5209 32 00, 5209 39 00, 5209 41 00, 5209 42 00, 5209 43 00, 5209 49 00, 5209 51 00, 5209 52 00, 5209 59 00, 5210 11 00, 5210 19 00, 5210 21 00, 5210 29 00, 5210 31 00, 5210 32 00, 5210 39 00, 5210 41 00, 5210 49 00, 5210 51 00, 5210 59 00, 5211 11 00, 5211 12 00, 5211 19 00, 5211 20 00, 5211 31 00, 5211 32 00, 5211 39 00, 5211 41 00, 5211 42 00, 5211 43 00, 5211 49 10, 5211 49 90, 5211 51 00, 5211 52 00, 5211 59 00, 5212 11 10, 5212 11 90, 5212 12 10, 5212 12 90, 5212 13 10, 5212 13 90, 5212 14 10, 5212 14 90, 5212 15 10, 5212 15 90, 5212 21 10, 5212 21 90, 5212 22 10, 5212 22 90, 5212 23 10, 5212 23 90, 5212 24 10, 5212 24 90, 5212 25 10, 5212 25 90, ex 5811 00 00, ex 6308 00 00		

Category	Description CN code 2017	Table of equivalence	
		pieces/kg	g/piece
2 a)	Of which: other than unbleached or bleached		
	5208 31 00, 5208 32 16, 5208 32 19, 5208 32 96, 5208 32 99, 5208 33 00, 5208 39 00, 5208 41 00, 5208 42 00, 5208 43 00, 5208 49 00, 5208 51 00, 5208 52 00, 5208 59 10, 5208 59 90, 5209 31 00, 5209 32 00, 5209 39 00, 5209 41 00, 5209 42 00, 5209 43 00, 5209 49 00, 5209 51 00, 5209 52 00, 5209 59 00, 5210 31 00, 5210 32 00, 5210 39 00, 5210 41 00, 5210 49 00, 5210 51 00, 5210 59 00, 5211 31 00, 5211 32 00, 5211 39 00, 5211 41 00, 5211 42 00, 5211 43 00, 5211 49 10, 5211 49 90, 5211 51 00, 5211 52 00, 5211 59 00, 5212 13 10, 5212 13 90, 5212 14 10, 5212 14 90, 5212 15 10, 5212 15 90, 5212 23 10, 5212 23 90, 5212 24 10, 5212 24 90, 5212 25 10, 5212 25 90, ex 5811 00 00, ex 6308 00 00		
3	Woven fabrics of synthetic fibres (discontinuous or waste) other than narrow woven fabrics, pile fabrics (including terry fabrics) and chenille fabrics		
	5512 11 00, 5512 19 10, 5512 19 90, 5512 21 00, 5512 29 10, 5512 29 90, 5512 91 00, 5512 99 10, 5512 99 90, 5513 11 20, 5513 11 90, 5513 12 00, 5513 13 00, 5513 19 00, 5513 21 00, 5513 23 10, 5513 23 90, 5513 29 00, 5513 31 00, 5513 39 00, 5513 41 00, 5513 49 00, 5514 11 00, 5514 12 00, 5514 19 10, 5514 19 90, 5514 21 00, 5514 22 00, 5514 23 00, 5514 29 00, 5514 30 10, 5514 30 30, 5514 30 50, 5514 30 90, 5514 41 00, 5514 42 00, 5514 43 00, 5514 49 00, 5515 11 10, 5515 11 30, 5515 11 90, 5515 12 10, 5515 12 30, 5515 12 90, 5515 13 11, 5515 13 19, 5515 13 91, 5515 13 99, 5515 19 10, 5515 19 30, 5515 19 90, 5515 21 10, 5515 21 30, 5515 21 90, 5515 22 11, 5515 22 19, 5515 22 91, 5515 22 99, 5515 29 00, 5515 91 10, 5515 91 30, 5515 91 90, 5515 99 20, 5515 99 40, 5515 99 80, ex 5803 00 90, ex 5905 00 70, ex 6308 00 00		
3 a)	Of which: other than unbleached or bleached		
	5512 19 10, 5512 19 90, 5512 29 10, 5512 29 90, 5512 99 10, 5512 99 90, 5513 21 00, 5513 23 10, 5513 23 90, 5513 29 00, 5513 31 00, 5513 39 00, 5513 41 00, 5513 49 00, 5514 21 00, 5514 22 00, 5514 23 00, 5514 29 00, 5514 30 10, 5514 30 30, 5514 30 50, 5514 30 90, 5514 41 00, 5514 42 00, 5514 43 00, 5514 49 00, 5515 11 30, 5515 11 90, 5515 12 30, 5515 12 90, 5515 13 19, 5515 13 99, 5515 19 30, 5515 19 90, 5515 21 30, 5515 21 90, 5515 22 19, 5515 22 99, ex 5515 29 00, 5515 91 30, 5515 91 90, 5515 99 40, 5515 99 80, ex 5803 00 90, ex 5905 00 70, ex 6308 00 00		
GROUP I B			
4	Shirts, T-shirts, lightweight fine knit roll, polo or turtle necked jumpers and pullovers (other than of wool or fine animal hair), undershirts and the like, knitted or crocheted	6,48	154
	6105 10 00, 6105 20 10, 6105 20 90, 6105 90 10, 6105 90 90, 6109 10 00, 6109 90 20, 6109 90 90, 6110 20 10, 6110 30 10	—	—

Category	Description CN code 2017	Table of equivalence	
		pieces/kg	g/piece
5	Jerseys, pullovers, slip-overs, waistcoats, twinsets, cardigans, bed-jackets and jumpers (others than jackets and blazers), anoraks, wind-cheaters, waister jackets and the like, knitted or crocheted	4,53	221
	ex 6101 90 80, 6101 20 90, 6101 30 90, 6102 10 90, 6102 20 90, 6102 30 90, 6110 11 10, 6110 11 30, 6110 11 90, 6110 12 10, 6110 12 90, 6110 19 10, 6110 19 90, 6110 20 91, 6110 20 99, 6110 30 91, 6110 30 99	—	—
6	Men's or boys' woven breeches, shorts other than swimwear and trousers (including slacks); women's or girls' woven trousers and slacks, of wool, of cotton or of man-made fibres; lower parts of track suits with lining, others than category 16 or 29, of cotton or of man-made fibres	1,76	568
	6203 41 10, 6203 41 90, 6203 42 31, 6203 42 33, 6203 42 35, 6203 42 90, 6203 43 19, 6203 43 90, 6203 49 19, 6203 49 50, 6204 61 10, 6204 62 31, 6204 62 33, 6204 62 39, 6204 63 18, 6204 69 18, 6211 32 42, 6211 33 42, 6211 42 42, 6211 43 42	—	—
7	Women's or girls' blouses, shirts and shirt-blouses, whether or not knitted or crocheted, of wool, of cotton or man-made fibres	5,55	180
	6106 10 00, 6106 20 00, 6106 90 10, 6206 20 00, 6206 30 00, 6206 40 00	—	—
8	Men's or boys' shirts, other than knitted or crocheted, of wool, cotton or man-made fibres	4,60	217
	ex 6205 90 80, 6205 20 00, 6205 30 00	—	—
GROUP II A			
9	Terry towelling and similar woven terry fabrics of cotton; toilet linen and kitchen linen, other than knitted or crocheted, of terry towelling and woven terry fabrics, of cotton		
	5802 11 00, 5802 19 00, ex 6302 60 00		
20	Bed linen, other than knitted or crocheted		
	6302 21 00, 6302 22 90, 6302 29 90, 6302 31 00, 6302 32 90, 6302 39 90		
22	Yarn of staple or waste synthetic fibres, not put up for retail sale		
	5508 10 10, 5509 11 00, 5509 12 00, 5509 21 00, 5509 22 00, 5509 31 00, 5509 32 00, 5509 41 00, 5509 42 00, 5509 51 00, 5509 52 00, 5509 53 00, 5509 59 00, 5509 61 00, 5509 62 00, 5509 69 00, 5509 91 00, 5509 92 00, 5509 99 00		

Category	Description CN code 2017	Table of equivalence	
		pieces/kg	g/piece
22 a)	Of which: acrylic		
	ex 5508 10 10, 5509 31 00, 5509 32 00, 5509 61 00, 5509 62 00, 5509 69 00		
23	Yarn of staple or waste artificial fibres, not put up for retail sale		
	5508 20 10, 5510 11 00, 5510 12 00, 5510 20 00, 5510 30 00, 5510 90 00		
32	Woven pile fabrics and chenille fabrics (other than terry towelling or terry fabrics of cotton and narrow woven fabrics) and tufted textile surfaces, of wool, of cotton or of man-made textile fibres		
	5801 10 00, 5801 21 00, 5801 22 00, 5801 23 00, 5801 26 00, 5801 27 00, 5801 31 00, 5801 32 00, 5801 33 00, 5801 36 00, 5801 37 00, 5802 20 00, 5802 30 00		
32 a)	Of which: cotton corduroy		
	5801 22 00		
39	Table linen, toilet linen and kitchen linen, other than knitted or crocheted, other than of terry towelling or a similar terry fabrics of cotton		
	6302 51 00, 6302 53 90, ex 6302 59 90, 6302 91 00, 6302 93 90, ex 6302 99 90		
GROUP II B			
12	Pantyhose and tights, stockings, understockings, socks, ankle-socks, sock-ettes and the like, knitted or crocheted, other than for babies, including stockings for varicose veins, other than products of category 70	24,3 pairs	41
	ex 6115 10 10, 6115 10 90, 6115 22 00, 6115 29 00, 6115 30 11, 6115 30 90, 6115 94 00, 6115 95 00, 6115 96 10, 6115 96 99, 6115 99 00	—	—
13	Men's or boys' underpants and briefs, women's or girls' knickers and briefs, knitted or crocheted, of wool, of cotton or of man-made fibres	17	59
	6107 11 00, 6107 12 00, 6107 19 00, 6108 21 00, 6108 22 00, 6108 29 00, ex 6212 10 10, ex 9619 00 50	—	—
14	Men's or boys' woven overcoats, raincoats and other coats, cloaks and capes, of wool, of cotton or of man-made textile fibres (other than parkas) (of category 21)	0,72	1389
	6201 11 00, ex 6201 12 10, ex 6201 12 90, ex 6201 13 10, ex 6201 13 90, 6210 20 00	—	—

Category	Description CN code 2017	Table of equivalence	
		pieces/kg	g/piece
15	Women's or girls' woven overcoats, raincoats and other coats, cloaks and capes; jackets and blazers, of wool, of cotton or of man-made textile fibres (other than parkas) (of category 21)	0,84	1190
	6202 11 00, ex 6202 12 10, ex 6202 12 90, ex 6202 13 10, ex 6202 13 90, 6204 31 00, 6204 32 90, 6204 33 90, 6204 39 19, 6210 30 00	—	—
16	Men's or boys' suits and ensembles, other than knitted or crocheted, of wool, of cotton or of man-made fibres, excluding ski suits; men's or boys' track suits with lining, with an outer shell of a single identical fabric, of cotton or of man-made fibres	0,80	1250
	6203 11 00, 6203 12 00, 6203 19 10, 6203 19 30, 6203 22 80, 6203 23 80, 6203 29 18, 6203 29 30, 6211 32 31, 6211 33 31	—	—
17	Men's or boys' jackets or blazers, other than knitted or crocheted, of wool, of cotton or of man-made fibres	1,43	700
	6203 31 00, 6203 32 90, 6203 33 90, 6203 39 19	—	—
18	Men's or boys' singlets and other vests, underpants, briefs, nightshirts, pyjamas, bathrobes, dressing gowns and similar articles, other than knitted or crocheted		
	6207 11 00, 6207 19 00, 6207 21 00, 6207 22 00, 6207 29 00, 6207 91 00, 6207 99 10, 6207 99 90		
	Women's or girls' singlets and other vests, slips, petticoats, briefs, panties, night-dresses, pyjamas, negligees, bathrobes, dressing gowns and similar articles, other than knitted or crocheted		
	6208 11 00, 6208 19 00, 6208 21 00, 6208 22 00, 6208 29 00, 6208 91 00, 6208 92 00, 6208 99 00, ex 6212 10 10, ex 9619 00 50		
19	Handkerchiefs, other than knitted or crocheted	59	17
	6213 20 00, ex 6213 90 00	—	—
21	Parkas; anoraks, windcheaters, waister jackets and the like, other than knitted or crocheted, of wool, of cotton or of man-made fibres; upper parts of tracksuits with lining, other than category 16 or 29, of cotton or of man-made fibres	2,3	435
	ex 6201 12 10, ex 6201 12 90, ex 6201 13 10, ex 6201 13 90, 6201 91 00, 6201 92 00, 6201 93 00, ex 6202 12 10, ex 6202 12 90, ex 6202 13 10, ex 6202 13 90, 6202 91 00, 6202 92 00, 6202 93 00, 6211 32 41, 6211 33 41, 6211 42 41, 6211 43 41	—	—

Category	Description CN code 2017	Table of equivalence	
		pieces/kg	g/piece
24	Men's or boys' nightshirts, pyjamas, bathrobes, dressing gowns and similar articles, knitted or crocheted	3,9	257
	6107 21 00, 6107 22 00, 6107 29 00, 6107 91 00, ex 6107 99 00	—	—
	Women's or girls' night-dresses, pyjamas, négligees, bathrobes, dressing gowns and similar articles, knitted or crocheted	—	—
	6108 31 00, 6108 32 00, 6108 39 00, 6108 91 00, 6108 92 00, ex 6108 99 00	—	—
26	Women's or girls' dresses, of wool, of cotton or of man-made fibres	3,1	323
	6104 41 00, 6104 42 00, 6104 43 00, 6104 44 00, 6204 41 00, 6204 42 00, 6204 43 00, 6204 44 00	—	—
27	Women's or girls' skirts, including divided skirts	2,6	385
	6104 51 00, 6104 52 00, 6104 53 00, 6104 59 00, 6204 51 00, 6204 52 00, 6204 53 00, 6204 59 10	—	—
28	Trousers, bib and brace overalls, breeches and shorts (other than swimwear), knitted or crocheted, of wool, of cotton or of man-made fibres	1,61	620
	6103 41 00, 6103 42 00, 6103 43 00, ex 6103 49 00, 6104 61 00, 6104 62 00, 6104 63 00, ex 6104 69 00	—	—
29	Women's or girls' suits and ensembles, other than knitted or crocheted, of wool, of cotton or of man-made fibres, excluding ski suits; women's or girls' track suits with lining, with an outer shell of an identical fabric, of cotton or of man-made fibres	1,37	730
	6204 11 00, 6204 12 00, 6204 13 00, 6204 19 10, 6204 21 00, 6204 22 80, 6204 23 80, 6204 29 18, 6211 42 31, 6211 43 31	—	—
31	Brassières, woven, knitted or crocheted	18,2	55
	ex 6212 10 10, 6212 10 90	—	—
68	Babies' garments and clothing accessories, excluding babies' gloves, mittens and mitts of categories 10 and 87, and babies' stockings, socks and sockettes, other than knitted or crocheted, of category 88		
	6111 90 19, 6111 20 90, 6111 30 90, ex 6111 90 90, ex 6209 90 10, ex 6209 20 00, ex 6209 30 00, ex 6209 90 90, ex 9619 00 50		

Category	Description CN code 2017	Table of equivalence	
		pieces/kg	g/piece
73	Track suits of knitted or crocheted fabric, of wool, of cotton or of man-made textile fibres	1,67	600
	6112 11 00, 6112 12 00, 6112 19 00	—	—
76	Men's or boys' industrial or occupational clothing, other than knitted or crocheted		
	6203 22 10, 6203 23 10, 6203 29 11, 6203 32 10, 6203 33 10, 6203 39 11, 6203 42 11, 6203 42 51, 6203 43 11, 6203 43 31, 6203 49 11, 6203 49 31, 6211 32 10, 6211 33 10		
	Women's or girls' aprons, smock overalls and other industrial or occupational clothing, other than knitted or crocheted		
	6204 22 10, 6204 23 10, 6204 29 11, 6204 32 10, 6204 33 10, 6204 39 11, 6204 62 11, 6204 62 51, 6204 63 11, 6204 63 31, 6204 69 11, 6204 69 31, 6211 42 10, 6211 43 10		
77	Ski suits, other than knitted or crocheted		
	ex 6211 20 00		
78	Garments, other than knitted or crocheted, excluding garments of categories 6, 7, 8, 14, 15, 16, 17, 18, 21, 26, 27, 29, 68, 72, 76 and 77		
	6203 41 30, 6203 42 59, 6203 43 39, 6203 49 39, 6204 61 85, 6204 62 59, 6204 62 90, 6204 63 39, 6204 63 90, 6204 69 39, 6204 69 50, 6210 40 00, 6210 50 00, 6211 32 90, 6211 33 90, ex 6211 39 00, 6211 42 90, 6211 43 90, ex 6211 49 00, ex 9619 00 50		
83	Overcoats, jackets, blazers and other garments, including ski suits, knitted or crocheted, excluding garments of categories 4, 5, 7, 13, 24, 26, 27, 28, 68, 69, 72, 73, 74, 75		
	ex 6101 90 20, 6101 20 10, 6101 30 10, 6102 10 10, 6102 20 10, 6102 30 10, 6103 31 00, 6103 32 00, 6103 33 00, ex 6103 39 00, 6104 31 00, 6104 32 00, 6104 33 00, ex 6104 39 00, 6112 20 00, 6113 00 90, 6114 20 00, 6114 30 00, ex 6114 90 00, ex 9619 00 50		
GROUP III A			
33	Woven fabrics of synthetic filament yarn obtained from strip or the like of polyethylene or polypropylene, less than 3 m wide		
	5407 20 11		
	Sacks and bags, of a kind used for the packing of goods, not knitted or crocheted, obtained from strip or the like		
	6305 32 19, 6305 33 90		

Category	Description CN code 2017	Table of equivalence	
		pieces/kg	g/piece
34	Woven fabrics of synthetic filament yarn obtained from strip or the like of polyethylene or polypropylene, 3 m or more wide		
	5407 20 19		
35	Woven fabrics of synthetic filaments, other than those for tyres of category 114		
	5407 10 00, 5407 20 90, 5407 30 00, 5407 41 00, 5407 42 00, 5407 43 00, 5407 44 00, 5407 51 00, 5407 52 00, 5407 53 00, 5407 54 00, 5407 61 10, 5407 61 30, 5407 61 50, 5407 61 90, 5407 69 10, 5407 69 90, 5407 71 00, 5407 72 00, 5407 73 00, 5407 74 00, 5407 81 00, 5407 82 00, 5407 83 00, 5407 84 00, 5407 91 00, 5407 92 00, 5407 93 00, 5407 94 00, ex 5811 00 00, ex 5905 00 70		
35 a)	Of which: other than unbleached or bleached		
	ex 5407 10 00, ex 5407 20 90, ex 5407 30 00, 5407 42 00, 5407 43 00, 5407 44 00, 5407 52 00, 5407 53 00, 5407 54 00, 5407 61 30, 5407 61 50, 5407 61 90, 5407 69 90, 5407 72 00, 5407 73 00, 5407 74 00, 5407 82 00, 5407 83 00, 5407 84 00, 5407 92 00, 5407 93 00, 5407 94 00, ex 5811 00 00, ex 5905 00 70		
36	Woven fabrics of artificial filaments, other than those for tyres of category 114		
	5408 10 00, 5408 21 00, 5408 22 10, 5408 22 90, 5408 23 00, 5408 24 00, 5408 31 00, 5408 32 00, 5408 33 00, 5408 34 00, ex 5811 00 00, ex 5905 00 70		
36 a)	Of which: other than unbleached or bleached		
	ex 5408 10 00, 5408 22 10, 5408 22 90, 5408 23 00, 5408 24 00, 5408 32 00, 5408 33 00, 5408 34 00, ex 5811 00 00, ex 5905 00 70		
37	Woven fabrics of artificial staple fibres		
	5516 11 00, 5516 12 00, 5516 13 00, 5516 14 00, 5516 21 00, 5516 22 00, 5516 23 10, 5516 23 90, 5516 24 00, 5516 31 00, 5516 32 00, 5516 33 00, 5516 34 00, 5516 41 00, 5516 42 00, 5516 43 00, 5516 44 00, 5516 91 00, 5516 92 00, 5516 93 00, 5516 94 00, ex 5803 00 90, ex 5905 00 70		
37 a)	Of which: other than unbleached or bleached		
	5516 12 00, 5516 13 00, 5516 14 00, 5516 22 00, 5516 23 10, 5516 23 90, 5516 24 00, 5516 32 00, 5516 33 00, 5516 34 00, 5516 42 00, 5516 43 00, 5516 44 00, 5516 92 00, 5516 93 00, 5516 94 00, ex 5803 00 90, ex 5905 00 70		

Category	Description CN code 2017	Table of equivalence	
		pieces/kg	g/piece
38 A	Knitted or crocheted synthetic curtain fabric including net curtain fabric		
	ex 6005 36 00, ex 6005 37 00, ex 6005 38 00, ex 6005 39 00, ex 6006 31 00, ex 6006 32 00, ex 6006 33 00, ex 6006 34 00		
38 B	Net curtains, other than knitted or crocheted		
	ex 6303 91 00, ex 6303 92 90, ex 6303 99 90		
40	Woven curtains (including drapes, interior blinds, curtain and bed valances and other furnishing articles), other than knitted or crocheted, of wool, of cotton or of man-made fibres		
	ex 6303 91 00, ex 6303 92 90, ex 6303 99 90, 6304 19 10, ex 6304 19 90, 6304 92 00, ex 6304 93 00, ex 6304 99 00		
41	Yarn of synthetic filament (continuous), not put up for retail sale, other than non textured single yarn untwisted or with a twist of not more than 50 turns/m		
	5401 10 12, 5401 10 14, 5401 10 16, 5401 10 18, 5402 11 00, 5402 19 00, 5402 20 00, 5402 31 00, 5402 32 00, 5402 33 00, 5402 34 00, 5402 39 00, 5402 44 00, 5402 48 00, 5402 49 00, 5402 51 00, 5402 52 00, 5402 53 00, 5402 59 00, 5402 61 00, 5402 62 00, 5402 63 00, 5402 69 00, ex 5604 90 10, ex 5604 90 90		
42	Yarn of continuous man-made fibres, not put up for retail sale		
	5401 20 10		
	Yarn of artificial fibres; yarn of artificial filaments, not put up for retail sale, other than single yarn of viscose rayon untwisted or with a twist of not more than 250 turns/m and single non textured yarn of cellulose acetate		
	5403 10 00, 5403 32 00, ex 5403 33 00, 5403 39 00, 5403 41 00, 5403 42 00, 5403 49 00, ex 5604 90 10		
43	Yarn of man-made filament, yarn of artificial staple fibres, cotton yarn, put up for retail sale		
	5204 20 00, 5207 10 00, 5207 90 00, 5401 10 90, 5401 20 90, 5406 00 00, 5508 20 90, 5511 30 00		
46	Carded or combed sheep's or lambs' wool or other fine animal hair		
	5105 10 00, 5105 21 00, 5105 29 00, 5105 31 00, 5105 39 00		

Category	Description CN code 2017	Table of equivalence	
		pieces/kg	g/piece
47	Yarn of carded sheep's or lambs' wool (woollen yarn) or of carded fine animal hair, not put up for retail sale		
	5106 10 10, 5106 10 90, 5106 20 10, 5106 20 91, 5106 20 99, 5108 10 10, 5108 10 90		
48	Yarn of combed sheep's or lambs' wool (worsted yarn) or of combed fine animal hair, not put up for retail sale		
	5107 10 10, 5107 10 90, 5107 20 10, 5107 20 30, 5107 20 51, 5107 20 59, 5107 20 91, 5107 20 99, 5108 20 10, 5108 20 90		
49	Yarn of sheep's or lambs' wool or of combed fine animal hair, put up for retail sale		
	5109 10 10, 5109 10 90, 5109 90 00		
50	Woven fabrics of sheep's or lambs' wool or of fine animal hair		
	5111 11 00, 5111 19 00, 5111 20 00, 5111 30 10, 5111 30 80, 5111 90 10, 5111 90 91, 5111 90 98, 5112 11 00, 5112 19 00, 5112 20 00, 5112 30 10, 5112 30 80, 5112 90 10, 5112 90 91, 5112 90 98		
51	Cotton, carded or combed		
	5203 00 00		
53	Cotton gauze		
	5803 00 10		
54	Artificial staple fibres, including waste, carded, combed or otherwise processed for spinning		
	5507 00 00		
55	Synthetic staple fibres, including waste, carded, combed or otherwise processed for spinning		
	5506 10 00, 5506 20 00, 5506 40 00, 5506 90 00		
56	Yarn of synthetic staple fibres (including waste), put up for retail sale		
	5508 10 90, 5511 10 00, 5511 20 00		
58	Carpets, carpentines and rugs, knotted (made up or not)		
	5701 10 10, 5701 10 90, 5701 90 10, 5701 90 90		

Category	Description CN code 2017	Table of equivalence	
		pieces/kg	g/piece
59	Carpets and other textile floor coverings, other than the carpets of category 58		
	5702 10 00, 5702 31 10, 5702 31 80, 5702 32 00, ex 5702 39 00, 5702 41 10, 5702 41 90, 5702 42 00, ex 5702 49 00, 5702 50 10, 5702 50 31, 5702 50 39, ex 5702 50 90, 5702 91 00, 5702 92 10, 5702 92 90, ex 5702 99 00, 5703 10 00, 5703 20 12, 5703 20 18, 5703 20 92, 5703 20 98, 5703 30 12, 5703 30 18, 5703 30 82, 5703 30 88, 5703 90 20, 5703 90 80, 5704 10 00, 5704 20 00, 5704 90 00, 5705 00 30, ex 5705 00 80		
60	Tapestries, hand-made, of the type Gobelins, Flanders, Aubusson, Beauvais and the like, and needlework tapestries (e.g. petit point and cross stitch) made in panels and the like by hand		
	5805 00 00		
61	Narrow woven fabrics, and narrow fabrics (bolduc) consisting of warp without weft, assembled by means of an adhesive, other than labels and similar articles of category 62 Elastic fabrics and trimmings (not knitted or crocheted), made from textile materials assembled from rubber thread		
	ex 5806 10 00, 5806 20 00, 5806 31 00, 5806 32 10, 5806 32 90, 5806 39 00, 5806 40 00		
62	Chenille yarn (including flock chenille yarn), gimped yarn (other than metallised yarn and gimped horsehair yarn)		
	5606 00 91, 5606 00 99		
	Tulle and other net fabrics but not including woven, knitted or crocheted fabrics, hand or mechanically-made lace, in the piece, in strips or in motifs		
	5804 10 10, 5804 10 90, 5804 21 00, 5804 29 00, 5804 30 00		
	Labels, badges and the like of textile materials, not embroidered, in the piece, in strips or cut to shape or size, woven		
	5807 10 10, 5807 10 90		
	Braids and ornamental trimmings in the piece; tassels, pompons and the like		
	5808 10 00, 5808 90 00		
	Embroidery, in the piece, in strips or in motifs		
	5810 10 10, 5810 10 90, 5810 91 10, 5810 91 90, 5810 92 10, 5810 92 90, 5810 99 10, 5810 99 90		

Category	Description CN code 2017	Table of equivalence	
		pieces/kg	g/piece
63	Knitted or crocheted fabric of synthetic fibres containing by weight 5 % or more elastomeric yarn and knitted or crocheted fabrics containing by weight 5 % or more of rubber thread		
	5906 91 00, ex 6002 40 00, 6002 90 00, ex 6004 10 00, 6004 90 00		
	Raschel lace and long-pile fabric of synthetic fibres		
	ex 6001 10 00, 6003 30 10, ex 6005 36 00, ex 6005 37 00, ex 6005 38 00, ex 6005 39 00		
65	Knitted or crocheted fabric, other than those of categories 38 A and 63, of wool, of cotton or of man-made fibres		
	5606 00 10, ex 6001 10 00, 6001 21 00, 6001 22 00, ex 6001 29 00, 6001 91 00, 6001 92 00, ex 6001 99 00, ex 6002 40 00, 6003 10 00, 6003 20 00, 6003 30 90, 6003 40 00, ex 6004 10 00, 6005 90 10, 6005 21 00, 6005 22 00, 6005 23 00, 6005 24 00, 6005 35 00, ex 6005 36 00, ex 6005 37 00, ex 6005 38 00, ex 6005 39 00, 6005 41 00, 6005 42 00, 6005 43 00, 6005 44 00, 6006 10 00, 6006 21 00, 6006 22 00, 6006 23 00, 6006 24 00, ex 6006 31 00, ex 6006 32 00, ex 6006 33 00, ex 6006 34 00, 6006 41 00, 6006 42 00, 6006 43 00, 6006 44 00		
66	Travelling rugs and blankets, other than knitted or crocheted, of wool, of cotton or of man-made fibres		
	6301 10 00, 6301 20 90, 6301 30 90, ex 6301 40 90, ex 6301 90 90		
GROUP III B			
10	Gloves, mittens and mitts, knitted or crocheted	17 pairs	59
	6111 90 11, 6111 20 10, 6111 30 10, ex 6111 90 90, 6116 10 20, 6116 10 80, 6116 91 00, 6116 92 00, 6116 93 00, 6116 99 00		
67	Knitted or crocheted clothing accessories other than for babies; household linen of all kinds, knitted or crocheted; curtains (including drapes) and interior blinds, curtain or bed valances and other furnishing articles knitted or crocheted; knitted or crocheted blankets and travelling rugs, other knitted or crocheted articles including parts of garments or of clothing accessories		
	5807 90 90, 6113 00 10, 6117 10 00, 6117 80 10, 6117 80 80, 6117 90 00, 6301 20 10, 6301 30 10, 6301 40 10, 6301 90 10, 6302 10 00, 6302 40 00, ex 6302 60 00, 6303 12 00, 6303 19 00, 6304 11 00, 6304 20 00, 6304 91 00, ex 6305 20 00, 6305 32 11, ex 6305 32 90, 6305 33 10, ex 6305 39 00, ex 6305 90 00, 6307 10 10, 6307 90 10, ex 9619 00 40, ex 9619 00 50		

Category	Description CN code 2017	Table of equivalence	
		pieces/kg	g/piece
67 a)	Of which: sacks and bags of a kind used for the packing of goods, made from polyethylene or polypropylene strip		
	6305 32 11, 6305 33 10		
69	Women's and girls' slips and petticoats, knitted or crocheted	7,8	128
	6108 11 00, 6108 19 00		
70	Pantyhose and tights of synthetic fibres, measuring per single yarn less than 67 decitex (6,7 tex)	30,4 pairs	33
	ex 6115 10 10, 6115 21 00, 6115 30 19		
	Women's full length hosiery of synthetic fibres		
	ex 6115 10 10, 6115 96 91		
72	Swimwear, of wool, of cotton or of man-made fibres	9,7	103
	6112 31 10, 6112 31 90, 6112 39 10, 6112 39 90, 6112 41 10, 6112 41 90, 6112 49 10, 6112 49 90, 6211 11 00, 6211 12 00		
74	Women's or girls' knitted or crocheted suits and ensembles, of wool, of cotton or of man-made fibres, excluding ski suits	1,54	650
	6104 13 00, 6104 19 20, ex 6104 19 90, 6104 22 00, 6104 23 00, 6104 29 10, ex 6104 29 90		
75	Men's or boys' knitted or crocheted suits and ensembles, of wool, of cotton or of man-made fibres, excluding ski suits	0,80	1 250
	6103 10 10, 6103 10 90, 6103 22 00, 6103 23 00, 6103 29 00		
84	Shawls, scarves, mufflers, mantillas, veils and the like other than knitted or crocheted, of wool, of cotton or of man-made fibres		
	6214 20 00, 6214 30 00, 6214 40 00, ex 6214 90 00		
85	Ties, bow ties and cravats other than knitted or crocheted, of wool, of cotton or of man-made fibres	17,9	56
	6215 20 00, 6215 90 00		
86	Corsets, corset-belts, suspender belts, braces, suspenders, garters and the like, and parts thereof, whether or not knitted or crocheted	8,8	114
	6212 20 00, 6212 30 00, 6212 90 00		

Category	Description CN code 2017	Table of equivalence	
		pieces/kg	g/piece
87	Gloves, mittens and mitts, not knitted or crocheted		
	ex 6209 90 10, ex 6209 20 00, ex 6209 30 00, ex 6209 90 90, 6216 00 00		
88	Stockings, socks and sockettes, not knitted or crocheted; other clothing accessories, parts of garments or of clothing accessories other than for babies, other than knitted or crocheted		
	ex 6209 90 10, ex 6209 20 00, ex 6209 30 00, ex 6209 90 90, 6217 10 00, 6217 90 00		
90	Twine, cordage, ropes and cables of synthetic fibres, plaited or not		
	5607 41 00, 5607 49 11, 5607 49 19, 5607 49 90, 5607 50 11, 5607 50 19, 5607 50 30, 5607 50 90		
91	Tents		
	6306 22 00, 6306 29 00		
93	Sacks and bags, of a kind used for the packing of goods, of woven fabrics, other than made from polyethylene or polypropylene strip		
	ex 6305 20 00, ex 6305 32 90, ex 6305 39 00		
94	Wadding of textile materials and articles thereof; textile fibres not exceeding 5 mm in length (flock), textile dust and mill neps		
	5601 21 10, 5601 21 90, 5601 22 10, 5601 22 90, 5601 29 00, 5601 30 00, 9619 00 30		
95	Felt and articles thereof, whether or not impregnated or coated, other than floor coverings		
	5602 10 19, 5602 10 31, ex 5602 10 38, 5602 10 90, 5602 21 00, ex 5602 29 00, 5602 90 00, ex 5807 90 10, ex 5905 00 70, 6210 10 10, 6307 90 91		
96	Non-woven fabrics and articles of such fabrics, whether or not impregnated, coated, covered or laminated		
	5603 11 10, 5603 11 90, 5603 12 10, 5603 12 90, 5603 13 10, 5603 13 90, 5603 14 10, 5603 14 90, 5603 91 10, 5603 91 90, 5603 92 10, 5603 92 90, 5603 93 10, 5603 93 90, 5603 94 10, 5603 94 90, ex 5807 90 10, ex 5905 00 70, 6210 10 92, 6210 10 98, ex 6301 40 90, ex 6301 90 90, 6302 22 10, 6302 32 10, 6302 53 10, 6302 93 10, 6303 92 10, 6303 99 10, ex 6304 19 90, ex 6304 93 00, ex 6304 99 00, ex 6305 32 90, ex 6305 39 00, 6307 10 30, 6307 90 92, ex 6307 90 98, ex 9619 00 40, ex 9619 00 50		

Category	Description CN code 2017	Table of equivalence	
		pieces/kg	g/piece
97	Nets and netting made of twine, cordage or rope and made up fishing nets of yarn, twine, cordage or rope		
	5608 11 20, 5608 11 80, 5608 19 11, 5608 19 19, 5608 19 30, 5608 19 90, 5608 90 00		
98	Other articles made from yarn, twine, cordage, cables or rope, other than textile fabrics, articles made from such fabrics and articles of category 97		
	5609 00 00, 5905 00 10		
99	Textile fabrics coated with gum or amylaceous substances, of a kind used for the outer covers of books and the like; tracing cloth; prepared painting canvas; buckram and similar stiffened textile fabrics of a kind used for hat foundations		
	5901 10 00, 5901 90 00		
	Linoleum, whether or not cut to shape; floor coverings consisting of a coating or covering applied on a textile backing, whether or not cut to shape		
	5904 10 00, 5904 90 00		
	Rubberised textile fabric, not knitted or crocheted, excluding those for tyres		
	5906 10 00, 5906 99 10, 5906 99 90		
	Textile fabrics otherwise impregnated or coated; painted canvas being theatrical scenery, studio back-cloths, other than of category 100		
	5907 00 00		
100	Textile fabrics impregnated, coated, covered or laminated with preparations of cellulose derivatives or of other artificial plastic materials		
	5903 10 10, 5903 10 90, 5903 20 10, 5903 20 90, 5903 90 10, 5903 90 91, 5903 90 99		
101	Twine, cordage, ropes and cables, plaited or not, other than of synthetic fibres		
	ex 5607 90 90		
109	Tarpaulins, sails, awnings and sunblinds		
	6306 12 00, 6306 19 00, 6306 30 00		
110	Woven pneumatic mattresses		
	6306 40 00		

Category	Description CN code 2017	Table of equivalence	
		pieces/kg	g/piece
111	Camping goods, woven, other than pneumatic mattresses and tents		
	6306 90 00		
112	Other made up textile articles, woven, excluding those of categories 113 and 114		
	6307 20 00, ex 6307 90 98		
113	Floor cloths, dish cloths and dusters, other than knitted or crocheted		
	6307 10 90		
114	Woven fabrics and articles for technical uses		
	5902 10 10, 5902 10 90, 5902 20 10, 5902 20 90, 5902 90 10, 5902 90 90, 5908 00 00, 5909 00 10, 5909 00 90, 5910 00 00, 5911 10 00, ex 5911 20 00, 5911 31 11, 5911 31 19, 5911 31 90, 5911 32 11, 5911 32 19, 5911 32 90, 5911 40 00, 5911 90 10, 5911 90 91, 5911 90 99		
GROUP IV			
115	Flax or ramie yarn		
	5306 10 10, 5306 10 30, 5306 10 50, 5306 10 90, 5306 20 10, 5306 20 90, 5308 90 12, 5308 90 19		
117	Woven fabrics of flax or of ramie		
	5309 11 10, 5309 11 90, 5309 19 00, 5309 21 00, 5309 29 00, 5311 00 10, ex 5803 00 90, 5905 00 30		
118	Table linen, toilet linen and kitchen linen of flax or ramie, other than knitted or crocheted		
	6302 29 10, 6302 39 20, 6302 59 10, ex 6302 59 90, 6302 99 10, ex 6302 99 90		
120	Curtains (including drapes), interior blinds, curtains and bed valances and other furnishing articles, not knitted or crocheted, of flax or ramie		
	ex 6303 99 90, 6304 19 30, ex 6304 99 00		
121	Twine, cordage, ropes and cables, plaited or not, of flax or ramie		
	ex 5607 90 90		
122	Sacks and bags, of a kind used for the packing of goods, used, of flax, other than knitted or crocheted		
	ex 6305 90 00		

Category	Description CN code 2017	Table of equivalence	
		pieces/kg	g/piece
123	Woven pile fabrics and chenille fabrics of flax or ramie, other than narrow woven fabrics		
	5801 90 10, ex 5801 90 90		
	Shawls, scarves, mufflers, mantillas, veils and the like, of flax or ramie, other than knitted or crocheted		
	ex 6214 90 00		
GROUP V			
124	Synthetic staple fibres		
	5501 10 00, 5501 20 00, 5501 30 00, 5501 40 00, 5501 90 00, 5503 11 00, 5503 19 00, 5503 20 00, 5503 30 00, 5503 40 00, 5503 90 00, 5505 10 10, 5505 10 30, 5505 10 50, 5505 10 70, 5505 10 90		
125 A	Synthetic filament yarn (continuous) not put up for retail sale, other than yarn of category 41		
	5402 45 00, 5402 46 00, 5402 47 00		
125 B	Monofilament, strip (artificial straw and the like) and imitation catgut of synthetic materials		
	5404 11 00, 5404 12 00, 5404 19 00, 5404 90 10, 5404 90 90, ex 5604 90 10, ex 5604 90 90		
126	Artificial staple fibres		
	5502 10 00, 5502 90 00, 5504 10 00, 5504 90 00, 5505 20 00		
127 A	Yarn of artificial filaments (continuous) not put up for retail sale, other than yarn of category 42		
	5403 31 00, ex 5403 32 00, ex 5403 33 00		
127 B	Monofilament, strip (artificial straw and the like) and imitation catgut of artificial textile materials		
	5405 00 00, ex 5604 90 90		
128	Coarse animal hair, carded or combed		
	5105 40 00		
129	Yarn of coarse animal hair or of horsehair		
	5110 00 00		
130 A	Silk yarn other than yarn spun from silk waste		
	5004 00 10, 5004 00 90, 5006 00 10		

Category	Description CN code 2017	Table of equivalence	
		pieces/kg	g/piece
130 B	Silk yarn other than of category 130 A; silk-worm gut		
	5005 00 10, 5005 00 90, 5006 00 90, ex 5604 90 90		
131	Yarn of other vegetable textile fibres		
	5308 90 90		
132	Paper yarn		
	5308 90 50		
133	Yarn of true hemp		
	5308 20 10, 5308 20 90		
134	Metallised yarn		
	5605 00 00		
135	Woven fabrics of coarse animal hair or of horse hair		
	5113 00 00		
136	Woven fabrics of silk or of silk waste		
	5007 10 00, 5007 20 11, 5007 20 19, 5007 20 21, 5007 20 31, 5007 20 39, 5007 20 41, 5007 20 51, 5007 20 59, 5007 20 61, 5007 20 69, 5007 20 71, 5007 90 10, 5007 90 30, 5007 90 50, 5007 90 90, 5803 00 30, ex 5905 00 90, ex 5911 20 00		
137	Woven pile fabric and chenille fabrics and narrow woven fabrics of silk, or of silk waste		
	ex 5801 90 90, ex 5806 10 00		
138	Woven fabrics of paper yarn and other textile fibres other than of ramie		
	5311 00 90, ex 5905 00 90		
139	Woven fabrics of metal threads or of metallised yarn		
	5809 00 00		
140	Knitted or crocheted fabric of textile material other than wool or fine animal hair, cotton or man-made fibres		
	ex 6001 10 00, ex 6001 29 00, ex 6001 99 00, 6003 90 00, 6005 90 90, 6006 90 00		

Category	Description CN code 2017	Table of equivalence	
		pieces/kg	g/piece
141	Travelling rugs and blankets of textile material other than wool or fine animal hair, cotton or man-made fibres		
	ex 6301 90 90		
142	Carpets and other textile floor coverings of sisal, of other fibres of the agave family or the Manila hemp		
	ex 5702 39 00, ex 5702 49 00, ex 5702 50 90, ex 5702 99 00, ex 5705 00 80		
144	Felt of coarse animal hair		
	ex 5602 10 38, ex 5602 29 00		
145	Twine, cordage, ropes and cables plaited or not abaca (Manila hemp) or of true hemp		
	ex 5607 90 20, ex 5607 90 90		
146 A	Binder or baler twine for agricultural machines, of sisal or other fibres of the agave family		
	ex 5607 21 00		
146 B	Twine, cordage, ropes and cables of sisal or other fibres of the agave family, other than the products of category 146 A		
	ex 5607 21 00, 5607 29 00		
146 C	Twine, cordage, ropes and cables, whether or not plaited or braided, of jute or of other textile bast fibres of heading No 5303		
	ex 5607 90 20		
147	Silk waste (including cocoons unsuitable for reeling), yarn waste and garneted stock, other than not carded or combed		
	ex 5003 00 00		
148 A	Yarn of jute or of other textile bast fibres of heading No 5303		
	5307 10 00, 5307 20 00		
148 B	Coir yarn		
	5308 10 00		
149	Woven fabrics of jute or of other textile bast fibres of a width of more than 150 cm		
	5310 10 90, ex 5310 90 00		

Category	Description CN code 2017	Table of equivalence	
		pieces/kg	g/piece
150	Woven fabrics of jute or of other textile bast fibres of a width of not more than 150 cm; sacks and bags, of a kind used for the packing of goods, of jute or of other textile bast fibres, other than used		
	5310 10 10, ex 5310 90 00, 5905 00 50, 6305 10 90		
151 A	Floor coverings of coconut fibres (coir)		
	5702 20 00		
151 B	Carpets and other textile floor coverings, of jute or of other textile bast fibres, other than tufted or flocked		
	ex 5702 39 00, ex 5702 49 00, ex 5702 50 90, ex 5702 99 00		
152	Needle loom felt of jute or of other textile bast fibres not impregnated or coated, other than floor coverings		
	5602 10 11		
153	Used sacks and bags, of a kind used for the packing of goods, of jute or of other textile bast fibres of heading No 5303		
	6305 10 10		
154	Silkworm cocoons suitable for reeling		
	5001 00 00		
	Raw silk (not thrown)		
	5002 00 00		
	Silk waste (including cocoons unsuitable for reeling), yarn waste and garnetted stock, not carded or combed		
	ex 5003 00 00		
	Wool not carded or combed		
	5101 11 00, 5101 19 00, 5101 21 00, 5101 29 00, 5101 30 00		
	Fine or coarse animal hair, not carded or combed		
	5102 11 00, 5102 19 10, 5102 19 30, 5102 19 40, 5102 19 90, 5102 20 00		
	Waste of wool or of fine or coarse animal hair, including yarn waste but excluding garnetted stock		
	5103 10 10, 5103 10 90, 5103 20 00, 5103 30 00		

Category	Description CN code 2017	Table of equivalence	
		pieces/kg	g/piece
	Garneted stock of wool or of fine or coarse animal hair		
	5104 00 00		
	Flax, raw or processed but not spun: flax tow and waste (including yarn waste and garneted stock)		
	5301 10 00, 5301 21 00, 5301 29 00, 5301 30 00		
	Ramie and other vegetable textile fibres, raw or processed but not spun: tow, noils and waste, other than coir and abaca		
	5305 00 00		
	Cotton, not carded nor combed		
	5201 00 10, 5201 00 90		
	Cotton waste (including yarn waste and garneted stock)		
	5202 10 00, 5202 91 00, 5202 99 00		
	True hemp (<i>Cannabis sativa</i> L.), raw or processed but not spun: tow and waste of true hemp (including yarn waste and garneted stock)		
	5302 10 00, 5302 90 00		
	Abaca (<i>Manila</i> hemp or <i>Musa Textilis</i> Nee), raw or processed but not spun: tow and waste of abaca (including yarn waste and garneted stock)		
	5305 00 00		
	Jute or other textile bast fibres (excl. flax, true hemp and ramie), raw or processed but not spun: tow and waste of jute or other textile bast fibres (including yarn waste and garneted stock)		
	5303 10 00, 5303 90 00		
	Other vegetable textile fibres, raw or processed but not spun: tow and waste of such fibres (including yarn waste and garneted stock)		
	5305 00 00		
156	Blouses and pullovers knitted or crocheted of silk or silk waste for women and girls		
	6106 90 30, ex 6110 90 90		
157	Garments, knitted or crocheted, other than those of categories 1 to 123 and 156		
	ex 6101 90 20, ex 6101 90 80, 6102 90 10, 6102 90 90, ex 6103 39 00, ex 6103 49 00, ex 6104 19 90, ex 6104 29 90, ex 6104 39 00, 6104 49 00, ex 6104 69 00, 6106 90 50, 6106 90 90, ex 6107 99 00, ex 6108 99 00, 6110 90 10, ex 6110 90 90, ex 6111 90 90, ex 6114 90 00		

Category	Description CN code 2017	Table of equivalence	
		pieces/kg	g/piece
159	Dresses, blouses and shirt-blouses, not knitted or crocheted, of silk or silk waste		
	6204 49 10, 6206 10 00		
	Shawls, scarves, mufflers, mantillas, veils and the like, not knitted or crocheted, of silk or silk waste		
	6214 10 00		
	Ties, bow ties and cravats of silk or silk waste		
	6215 10 00		
160	Handkerchiefs of silk or silk waste		
	ex 6213 90 00		
161	Garments, not knitted or crocheted, other than those of categories 1 to 123 and category 159		
	6201 19 00, 6201 99 00, 6202 19 00, 6202 99 00, 6203 19 90, 6203 29 90, 6203 39 90, 6203 49 90, 6204 19 90, 6204 29 90, 6204 39 90, 6204 49 90, 6204 59 90, 6204 69 90, 6205 90 10, ex 6205 90 80, 6206 90 10, 6206 90 90, ex 6211 20 00, ex 6211 39 00, ex 6211 49 00, ex 9619 00 50		
163	Gauze and articles of gauze put up in forms or packings for retail sale		
	3005 90 31'		

COMMISSION REGULATION (EU) 2018/174**of 2 February 2018****implementing Regulation (EC) No 1177/2003 of the European Parliament and of the Council concerning Community statistics on income and living conditions (EU-SILC) as regards the list of target secondary variables on intergenerational transmission of disadvantages, household composition and evolution of income for 2019****(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 1177/2003 of the European Parliament and of the Council of 16 June 2003 concerning Community statistics on income and living conditions (EU-SILC) ⁽¹⁾, and in particular Article 15(2)(f) thereof,

Whereas:

- (1) Regulation (EC) No 1177/2003 established a common framework for the systematic production of European statistics on income and living conditions, in order to ensure that comparable and up-to-date cross-sectional and longitudinal data on income and on the level and composition of poverty and social exclusion are available at national and Union level.
- (2) Pursuant to Article 15(2)(f) of Regulation (EC) No 1177/2003, implementing measures are to be adopted each year to specify the target secondary areas and variables to be included in the cross-sectional component of EU-SILC that year. Implementing measures specifying the target secondary variables and their identifiers for the 2019 module on intergenerational transmission of disadvantages, household composition and evolution of income should therefore be adopted.
- (3) The measures provided for in this Regulation are in accordance with the opinion of the European Statistical System Committee,

HAS ADOPTED THIS REGULATION:

Article 1

The list of target secondary variables and identifiers for the 2019 module on intergenerational transmission of disadvantages, household composition and evolution of income, part of the cross-sectional component of EU-SILC, shall be as set out in the Annex.

Article 2

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, 2 February 2018.

For the Commission

The President

Jean-Claude JUNCKER

⁽¹⁾ OJ L 165, 3.7.2003, p. 1.

ANNEX

The target secondary variables and identifiers for the 2019 module on intergenerational transmission of disadvantages, household composition and evolution of income, part of the cross-sectional component of EU-SILC, shall be as follows:

1. Units

Information on intergenerational transmission of disadvantages variables shall be provided for all current household members or, if applicable, for all selected respondents aged over 24 years and less than 60 years.

Information on evolution of income and household composition applies at household level and refers to the household as a whole.

2. Mode of data collection

For variables applying to the individual level, the mode of data collection is a personal interview with all current household members or, if applicable, for all selected respondents aged over 24 years and less than 60 years.

For variables applying to household level, the mode of data collection is personal interview with the household respondent.

If the relevant persons are temporarily absent or incapacitated, proxy interviews are allowed as an exception.

3. Reference period

For variables concerning **intergenerational transmission of disadvantages**, the reference period shall be when the interviewee was around 14 years old.

For variables concerning **evolution of income and household composition** (household grid), the reference period shall be the current period.

4. Definitions for intergenerational transmission of disadvantages

- (1) Father: the person the interviewee considered to be his/her father when he/she was around 14 years old. In general the father will be the biological father, but if the interviewee considers someone else to be the father during the reference period, the answers should refer to him, even if the biological father was alive and known.
- (2) Mother: the person the interviewee considered to be his/her mother when he/she was around 14 years old. In general the mother will be the biological mother, but if the interviewee considers someone else to be the mother during the reference period, the answers should refer to her, even if the biological mother was alive and known.
- (3) Household: refers to the household in which the respondent was living when he/she was around 14 years old.

If the parents of the respondent were divorced/separated and shared custody equally (50 % of the time for each parent), the respondent has the option to:

- select his/her household **on an objective basis**, taking into account his/her main address when he/she was around 14 years old (i.e. the one in the population register and/or in his/her identity card/passport);
- select his/her household **on a subjective basis** according to where he/she felt more at home when he/she was around 14 years old.

If the parents of the respondent were divorced/separated and did not share custody equally, the household should be that where the respondent lived all or the majority of the time.

The target secondary variables shall be sent to the Commission (Eurostat) in the Household Data File (H-file) and in the Personal Data File (P-file) after the target primary variables.

	Testing module 2019	Intergenerational transmission of disadvantages
Variable name	Code	Target variable
Family data		
PT220		<i>Type of household when respondent was around 14 years old</i>
	1	Private household
	2	Lived in a collective household or institution
PT220_F	1	Filled
	– 1	Missing
	– 3	Not 'selected respondent'
	– 6	Not in age range (25-59)
	– 7	Not applicable (RB010#2019)
PT230		<i>Presence of mother when respondent was around 14 years old</i>
	1	Yes
	2	No, she did not live in the same household but I had contact
	3	No, she did not live in the same household and I had no contact
	4	No, deceased
PT0230_F	1	Filled
	– 1	Missing
	– 2	N/A (lived in a collective household or institution)
	– 3	Not 'selected respondent'
	– 6	Not in age range (25-59)
	– 7	Not applicable (RB010#2019)
PT240		<i>Presence of father when respondent was around 14 years old</i>
	1	Yes
	2	No, he did not live in the same household but I had contact
	3	No, he did not live in the same household and I had no contact
	4	No, deceased
PT240_F	1	Filled
	– 1	Missing
	– 2	N/A (lived in a collective household or institution)
	– 3	Not 'selected respondent'
	– 6	Not in age range (25-59)
	– 7	Not applicable (RB010#2019)

	Testing module 2019	Intergenerational transmission of disadvantages
Variable name	Code	Target variable
PT020		<i>Number of adults when respondent was around 14 years old</i> Number (2 digits) 0-99
PT020_F	1 – 1 – 2 – 3 – 6 – 7	Filled Missing N/A (lived in a collective household or institution) Not 'selected respondent' Not in age range (25-59) Not applicable (RB010#2019)
PT030		<i>Number of children when respondent was around 14 years old</i> Number (2 digits) 0-99
PT030_F	1 – 1 – 2 – 3 – 6 – 7	Filled Missing N/A (lived in a collective household or institution) Not 'selected respondent' Not in age range (25-59) Not applicable (RB010#2019)
PT040		<i>Number of persons in the household in work when respondent was around 14 years old</i> Number (2 digits) 0-99
PT040_F	1 – 1 – 2 – 3 – 6 – 7	Filled Missing N/A (lived in a collective household or institution) Not 'selected respondent' Not in age range (25-59) Not applicable (RB010#2019)
PT250	1 2 3	<i>Degree of urbanisation when respondent was around 14 years old</i> City (more than 100 000 inhabitants) Town or suburb (10 000 to 100 000 inhabitants) Rural area, small town or village (less than 10 000 inhabitants)
PT250_F	1 – 1 – 2 – 3 – 6 – 7	Filled Missing N/A (lived in a collective household or institution) Not 'selected respondent' Not in age range (25-59) Not applicable (RB010#2019)

	Testing module 2019	Intergenerational transmission of disadvantages
Variable name	Code	Target variable
PT210		<i>Tenancy status when respondent was around 14 years old</i>
	1	Owned
	2	Rented
	3	Accommodation was provided free
	– 1	Don't know
PT210_F	1	Filled
	– 1	Missing
	– 2	N/A (lived in a collective household or institution)
	– 3	Not 'selected respondent'
	– 6	Not in age range (25-59)
	– 7	Not applicable (RB010#2019)
Parents background		
PT060		<i>Country of birth of the father</i>
		Country of the birth of father (SCL GEO alpha-2 code)
	– 1	Don't know
PT060_F	1	Filled
	– 1	Missing
	– 2	N/A (lived in a collective household or institution)
	– 3	Not 'selected respondent'
	– 5	N/A Father not present and no contact or deceased
	– 6	Not in age range (25-59)
	– 7	Not applicable (RB010#2019)
PT070		<i>Citizenship of the father</i>
		Country of main citizenship (SCL GEO alpha-2 code)
	– 1	Don't know
PT070_F	1	Filled
	– 1	Missing
	– 2	N/A (lived in a collective household or institution)
	– 3	Not 'selected respondent'
	– 5	N/A father not present and no contact or deceased
	– 6	Not in age range (25-59)
	– 7	Not applicable (RB010#2019)

	Testing module 2019	Intergenerational transmission of disadvantages
Variable name	Code	Target variable
PT090		<i>Country of birth of the mother</i> Country of the birth of mother (SCL GEO alpha-2 code) Don't know
	– 1	
PT090_F	1	Filled
	– 1	Missing
	– 2	N/A (lived in a collective household or institution)
	– 3	Not 'selected respondent'
	– 5	N/A mother not present and no contact or deceased
	– 6	Not in age range (25-59)
	– 7	Not applicable (RB010#2019)
PT100		<i>Citizenship of the mother</i> Country of main citizenship (SCL GEO alpha-2 code) Don't know
	– 1	
PT100_F	1	Filled
	– 1	Missing
	– 2	N/A (lived in a collective household or institution)
	– 3	Not 'selected respondent'
	– 5	N/A mother not present and no contact or deceased
	– 6	Not in age range (25-59)
	– 7	Not applicable (RB010#2019)
Educational data		
PT110		<i>Highest level of education attained by the father</i> Low level (less than primary, primary education or lower secondary education) Medium level (upper secondary education and post-secondary non-tertiary education) High level (short-cycle tertiary education, bachelor's or equivalent level, master's or equivalent level, doctoral or equivalent level) Don't know
	1	
	2	
	3	
	– 1	
PT110_F	1	Filled
	– 1	Missing
	– 2	N/A (lived in a collective household or institution)
	– 3	Not 'selected respondent'
	– 5	N/A father not present and no contact or deceased
	– 6	Not in age range (25-59)
	– 7	Not applicable (RB010#2019)

	Testing module 2019	Intergenerational transmission of disadvantages
Variable name	Code	Target variable
PT120		<i>Highest level of education attained by the mother</i>
	1	Low level (less than primary, primary education or lower secondary education)
	2	Medium level (upper secondary education and post-secondary non-tertiary education)
	3	High level (short-cycle tertiary education, bachelor's or equivalent level, master's or equivalent level, doctoral or equivalent level)
	– 1	Don't know
PT120_F	1	Filled
	– 1	Missing
	– 2	N/A (lived in a collective household or institution)
	– 3	Not 'selected respondent'
	– 5	N/A mother not present and no contact or deceased
	– 6	Not in age range (25-59)
	– 7	Not applicable (RB010#2019)
Occupational data		
PT130		<i>Activity status of the father when respondent was around 14 years old</i>
	1	Employee working full-time
	2	Employee working part-time
	3	Self-employed or helping family business
	4	Unemployed/looking for job
	5	In retirement
	6	Permanently disabled and/or unfit to work
	7	Fulfilling domestic tasks and care responsibilities
	8	Other inactive person
	– 1	Don't know
PT130_F	1	Filled
	– 1	Missing
	– 2	N/A (lived in a collective household or institution)
	– 3	Not 'selected respondent'
	– 5	N/A father not present and no contact or deceased
	– 6	Not in age range (25-59)
	– 7	Not applicable (RB010#2019)

	Testing module 2019	Intergenerational transmission of disadvantages
Variable name	Code	Target variable
PT140		<i>Managerial position of the father when respondent was around 14 years old</i>
	1	Yes
	2	No
	– 1	Don't know
PT140_F		
	1	Filled
	– 1	Missing
	– 2	N/A (lived in a collective household or institution)
	– 3	Not 'selected respondent'
	– 4	N/A father not working (not employed)
	– 5	N/A father not present and no contact or deceased
	– 6	Not in age range (25-59)
	– 7	Not applicable (RB010#2019)
PT150		<i>Main occupation of the father when respondent was around 14 years old</i>
		ISCO-08(COM) code (1 digit)
	– 1	Don't know
PT150_F		
	1	Filled
	– 1	Missing
	– 2	N/A (lived in a collective household or institution)
	– 3	Not 'selected respondent'
	– 4	N/A father not working (not employed)
	– 5	N/A father not present and no contact or deceased
	– 6	Not in age range (25-59)
	– 7	Not applicable (RB010#2019)
PT160		<i>Activity status of the mother when respondent was around 14 years old</i>
	1	Employee working full-time
	2	Employee working part-time
	3	Self-employed or helping family business
	4	Unemployed/looking for job
	5	In retirement
	6	Permanently disabled and/or unfit to work
	7	Fulfilling domestic tasks and care responsibilities
	8	Other inactive person
	– 1	Don't know

	Testing module 2019	Intergenerational transmission of disadvantages
Variable name	Code	Target variable
PT160_F	1	Filled
	– 1	Missing
	– 2	N/A (lived in a collective household or institution)
	– 3	Not 'selected respondent'
	– 5	N/A mother not present and no contact or deceased
	– 6	Not in age range (25-59)
	– 7	Not applicable (RB010#2019)
PT170		<i>Managerial position of the mother when respondent was around 14 years old</i>
	1	Yes
	2	No
PT170_F	– 1	Don't know
	1	Filled
	– 1	Missing
	– 2	N/A (lived in a collective household or institution)
	– 3	Not 'selected respondent'
	– 4	N/A mother not working (not employed)
	– 5	N/A mother not present and no contact or deceased
PT180	– 6	Not in age range (25-59)
	– 7	Not applicable (RB010#2019)
		<i>Main occupation of the mother when respondent was around 14 years old</i>
		ISCO-08(COM) code (1 digit)
	– 1	Don't know
	1	Filled
	– 1	Missing
PT180_F	– 2	N/A (lived in a collective household or institution)
	– 3	Not 'selected respondent'
	– 4	N/A mother not working (not employed)
	– 5	N/A mother not present and no contact or deceased
	– 6	Not in age range (25-59)
	– 7	Not applicable (RB010#2019)

	Testing module 2019	Intergenerational transmission of disadvantages
Variable name	Code	Target variable
Material deprivation		
PT190		<i>Financial situation of the household when respondent was around 14 years old</i>
	1	Very bad
	2	Bad
	3	Moderately bad
	4	Moderately good
	5	Good
	6	Very good
	– 1	Don't know
PT190_F		
	1	Filled
	– 1	Missing
	– 2	N/A (lived in a collective household or institution)
	– 3	Not 'selected respondent'
	– 6	Not in age range (25-59)
	– 7	Not applicable (RB010≠2019)
PT260		<i>Basic school needs (books and equipment for school) met when respondent was around 14 years old</i>
	1	Yes
	2	No, due to financial reasons
	3	No, other reasons
PT260_F		
	1	Filled
	– 1	Missing
	– 2	N/A (lived in a collective household or institution)
	– 3	Not 'selected respondent'
	– 6	Not in age range (25-59)
	– 7	Not applicable (RB010≠2019)
PT270		<i>Having daily meal with meat, chicken, fish (or vegetarian equivalent) when respondent was around 14 years old</i>
	1	Yes
	2	No, due to financial constraints
	3	No, other reason

	Testing module 2019	Intergenerational transmission of disadvantages
Variable name	Code	Target variable
PT270_F	1	Filled
	– 1	Missing
	– 2	N/A (lived in a collective household or institution)
	– 3	Not 'selected respondent'
	– 6	Not in age range (25-59)
	– 7	Not applicable (RB010≠2019)
PT280		<i>One week of annual holiday away from home when respondent was around 14 years old</i>
	1	Yes
	2	No, due to financial constraints
	3	No, other reason
PT280_F	1	Filled
	– 1	Missing
	– 2	N/A (lived in a collective household or institution)
	– 3	Not 'selected respondent'
	– 6	Not in age range (25-59)
	– 7	Not applicable (RB010≠2019)
	Optional testing module 2019	Evolution of income and household composition
Variable name	Code	Target variable
HI010		<i>Change in income compared to previous year (OPTIONAL)</i>
	1	Increased
	2	Remained more or less the same
	3	Decreased
HI010_F	1	Filled
	– 1	Missing
	– 3	Not 'selected respondent'
	– 7	Not applicable (RB010≠2019)
HI020		<i>Reason for increase (OPTIONAL)</i>
	1	Indexation/re-evaluation of salary
	2	Increased working time, wage or salary (same job)
	3	Came back to job market after illness, parenthood, parental leave, child care or to take care of a person with illness or disability
	4	Starting or changed job
	5	Change in household composition
	6	Increase in social benefits
	7	Other

	Optional testing module 2019	Evolution of income and household composition
Variable name	Code	Target variable
HI020_F	1	Filled
	– 1	Missing
	– 2	Not applicable HI010#1
	– 3	Not 'selected respondent'
	– 7	Not applicable (RB010#2019)
HI030		<i>Reason for decrease in income (OPTIONAL)</i>
	1	Reduced working time, wage or salary (same job), including self-employment (involuntary)
	2	Parenthood/parental leave/child care/to take care of a person with illness or disability
	3	Changed job
	4	Lost job/unemployment/bankruptcy of (own) enterprise
	5	Became unable to work because of illness or disability
	6	Divorce/partnership ended/other change in household composition
	7	Retirement
	8	Cut in social benefits
	9	Other
HI030_F	1	Filled
	– 1	Missing
	– 2	Not applicable HI010#3
	– 3	Not 'selected respondent'
	– 7	Not applicable (RB010#2019)
HI040		<i>Future income (OPTIONAL)</i>
	1	Increase
	2	Remain the same
	3	Decrease
HI040_F	1	Filled
	– 1	Missing
	– 3	Not 'selected respondent'
	– 7	Not applicable (RB010#2019)

	Optional testing module 2019	Evolution of income and household composition
Variable name	Code	Target variable
HGYX ⁽¹⁾		<i>Household grid (OPTIONAL) ⁽²⁾</i>
	10	Partner (low level)
	11	Husband/wife/civil partner (high level)
	12	Partner/cohabitee (high level)
	20	Son/daughter (low level)
	21	Natural/adopted son/daughter (high level)
	22	Step-son/step-daughter (high level)
	30	Son-in-law/daughter-in-law (low; high level)
	40	Grandchild (low; high level)
	50	Parent (low level)
	51	Natural/adoptive parent (high level)
	52	Step-parent (high level)
	60	Parent-in-law (low; high level)
	70	Grandparent (low; high level)
	80	Brother/sister (low level)
	81	Natural brother/sister (high level)
	82	Step-brother/sister (high level)
	90	Other relative (low; high level)
	95	Other non-relative (low; high level)
	99	Not stated (low; high level)
HGYX_F	1	Filled
	– 1	Missing
	– 2	N/A (one person household)
	– 7	Not applicable (RB010#2019)

⁽¹⁾ X = 1,..., number of persons in the household – 1
Y = 2,..., number of persons in the household
Y > X.

⁽²⁾ Either low- and/or high-level answer categories can be used.

COMMISSION REGULATION (EU) 2018/175**of 2 February 2018****amending Annex II to Regulation (EC) No 110/2008 of the European Parliament and of the Council on the definition, description, presentation, labelling and the protection of geographical indications of spirit drinks**

THE EUROPEAN COMMISSION,

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

Having regard to Regulation (EC) No 110/2008 of the European Parliament and of the Council of 15 January 2008 on the definition, description, presentation, labelling and the protection of geographical indications of spirit drinks ⁽¹⁾, and in particular Article 26 thereof,

Whereas:

- (1) Annex II to Regulation (EC) No 110/2008 provides that the sales denomination of spirit drinks of the category 9 'Fruit spirit' has to be 'spirit' preceded by the name of the fruit, berry or vegetable used. However, in some official languages those sales denominations are traditionally expressed by completing the name of the fruit with a suffix. The indication of a sales denomination consisting of the name of the fruit completed by a suffix should therefore be allowed for fruit spirits labelled in those official languages.
- (2) In Annex II to Regulation (EC) No 110/2008 the specifications of the category 10 'Cider spirit and perry spirit' do not clearly provide for the possibility of distilling cider and perry together in order to produce this category of spirit drink. However, in some cases the spirit drink is traditionally obtained from the distillation of both cider and perry together. The definition of this category of spirit drinks should therefore be modified in order to explicitly allow for the possibility to distil cider and perry together where this is provided for by traditional production methods. For those cases, it is also necessary to determine rules on the corresponding sales denomination. In order to avoid difficulties for economic operators, it is also appropriate to establish a transitional provision concerning the sales denomination of spirit drinks produced before the entry into force of this Regulation.
- (3) Annex II to Regulation (EC) No 110/2008 should therefore be amended accordingly.
- (4) The measures provided for in this Regulation are in accordance with the opinion of the Committee for Spirit Drinks,

HAS ADOPTED THIS REGULATION:

Article 1

Annex II to Regulation (EC) No 110/2008 is amended as follows:

- (1) point (f) of category 9 is replaced by the following:

'(f) The sales denomination of a fruit spirit shall be "spirit" preceded by the name of the fruit, berry or vegetable, such as: cherry spirit, which may also be named *kirsch*, plum spirit, which may also be named *slivovitz*, mirabelle, peach, apple, pear, apricot, fig, citrus or grape spirit or other fruit spirits. This sales denomination may be expressed by the name of the fruit completed by a suffix when expressed in the Czech, Croatian, Greek, Polish, Slovakian, Slovenian and Romanian languages.

It may be also called *wasser*, with the name of the fruit.

The name of the fruit may replace "spirit" preceded by the name of the fruit, solely in the case of the following fruits:

- mirabelle (*Prunus domestica* L. subsp. *syriaca* (Borkh.) Janch. ex Mansf.),
- plum (*Prunus domestica* L.),

⁽¹⁾ OJ L 39, 13.2.2008, p. 16.

- quetsch (*Prunus domestica* L.),
- fruit of arbutus (*Arbutus unedo* L.),
- “Golden Delicious” apple.

If there is a risk that the final consumer does not easily understand one of those sales denominations not containing the word “spirit”, the labelling and presentation shall include the word “spirit”, which may be supplemented by an explanation.’;

(2) Category 10 is replaced by the following:

‘10. Cider spirit, perry spirit and cider and perry spirit

(a) Cider spirit, perry spirit and cider and perry spirit are spirit drinks which meet the following conditions:

- (i) they are produced exclusively by the distillation at less than 86 % vol. of cider or perry so that the distillate has an aroma and taste derived from the fruits;
- (ii) they have a quantity of volatile substances equal to or exceeding 200 grams per hectolitre of 100 % vol. alcohol;
- (iii) they have a maximum methanol content of 1 000 grams per hectolitre of 100 % vol. alcohol.

The condition referred to in point (i) shall not exclude spirit drinks produced by traditional production methods which allow for the distillation of both cider and perry together. In those cases, the sales denomination shall be “cider and perry spirit”.

- (b) The minimum alcoholic strength by volume of cider spirit, perry spirit and cider and perry spirit shall be 37,5 %.
- (c) No addition of alcohol as defined in point (5) of Annex I, diluted or not, shall take place.
- (d) Neither cider spirit nor perry spirit nor cider and perry spirit shall be flavoured.
- (e) Cider spirit, perry spirit and cider and perry spirit may only contain added caramel as a means of adapting colour.’.

Article 2

Spirit drinks belonging to category 10 in Annex II to Regulation (EC) No 110/2008 and sales denominations of which meet the requirements of that Regulation at the time of entry into force of this Regulation may continue to be placed on the market until stocks are exhausted.

Article 3

This Regulation shall enter into force on the third 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, 2 February 2018.

For the Commission
The President
Jean-Claude JUNCKER

DECISIONS

COUNCIL DECISION (EU) 2018/176

of 29 January 2018

on the position to be adopted, on behalf of the European Union, within the EEA Joint Committee concerning an amendment to Annex XIII (Transport) to the EEA Agreement

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 91 in conjunction with Article 218(9) thereof,

Having regard to Council Regulation (EC) No 2894/94 of 28 November 1994 concerning arrangements for implementing the Agreement on the European Economic Area ⁽¹⁾, and in particular Article 1(3) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) The Agreement on the European Economic Area ⁽²⁾ ('the EEA Agreement') entered into force on 1 January 1994.
- (2) Pursuant to Article 98 of the EEA Agreement, the EEA Joint Committee may decide to amend, inter alia, Annex XIII (Transport) to the EEA Agreement.
- (3) Directive 2014/94/EU of the European Parliament and of the Council ⁽³⁾ is to be incorporated into the EEA Agreement.
- (4) Annex XIII (Transport) to the EEA Agreement should therefore be amended accordingly.
- (5) The position of the Union within the EEA Joint Committee should therefore be based on the attached draft decision,

HAS ADOPTED THIS DECISION:

Article 1

The position to be adopted, on behalf of the Union, within the EEA Joint Committee on the proposed amendment to Annex XIII (Transport) to the EEA Agreement, shall be based on the draft decision of the EEA Joint Committee attached to this Decision.

Article 2

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

Done at Brussels, 29 January 2018.

For the Council

The President

R. PORODZANOV

⁽¹⁾ OJ L 305, 30.11.1994, p. 6.

⁽²⁾ OJ L 1, 3.1.1994, p. 3.

⁽³⁾ Directive 2014/94/EU of the European Parliament and of the Council of 22 October 2014 on the deployment of alternative fuels infrastructure (OJ L 307, 28.10.2014, p. 1).

DRAFT

DECISION OF THE EEA JOINT COMMITTEE No .../2018
of ...
amending Annex XIII (Transport) to the EEA Agreement

THE EEA JOINT COMMITTEE,

Having regard to the Agreement on the European Economic Area ('the EEA Agreement'), and in particular Article 98 thereof,

Whereas:

- (1) Directive 2014/94/EU of the European Parliament and of the Council of 22 October 2014 on the deployment of alternative fuels infrastructure ⁽¹⁾ is to be incorporated into the EEA Agreement.
- (2) Annex XIII to the EEA Agreement should therefore be amended accordingly,

HAS ADOPTED THIS DECISION:

Article 1

The following point is inserted after point 5 (Deleted) of Annex XIII to the EEA Agreement:

'5a. **32014 L 0094:** Directive 2014/94/EU of the European Parliament and of the Council of 22 October 2014 on the deployment of alternative fuels infrastructure (OJ L 307, 28.10.2014, p. 1).

The provisions of the Directive shall, for the purposes of this Agreement, be read with the following adaptations:

- (a) As regards the EFTA States, the word "TFEU" in Article 3(5) shall read "EEA Agreement".
- (b) Article 6 shall not apply to Iceland.
- (c) This Directive shall not apply to Liechtenstein.'

Article 2

The text of Directive 2014/94/EU in the Icelandic and Norwegian languages, to be published in the EEA Supplement to the *Official Journal of the European Union*, shall be authentic.

Article 3

This Decision shall enter into force on [...], provided that all the notifications under Article 103(1) of the EEA Agreement have been made (*).

Article 4

This Decision shall be published in the EEA Section of, and in the EEA Supplement to, the *Official Journal of the European Union*.

Done at Brussels,

For the EEA Joint Committee

The President

The Secretaries to the EEA Joint Committee

⁽¹⁾ OJ L 307, 28.10.2014, p. 1.

(*) [No constitutional requirements indicated.] [Constitutional requirements indicated.]

RECOMMENDATIONS

COMMISSION RECOMMENDATION (EU) 2018/177

of 2 February 2018

on the elements to be included in the technical, legal and financial arrangements between Member States for the application of the solidarity mechanism under Article 13 of Regulation (EU) 2017/1938 of the European Parliament and of the Council concerning measures to safeguard the security of gas supply

THE EUROPEAN COMMISSION,

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

Having regard to Article 13(12) of Regulation (EU) 2017/1938 of the European Parliament and of the Council of 25 October 2017 concerning measures to safeguard the security of gas supply and repealing Regulation (EU) No 994/2010 ⁽¹⁾,

Whereas:

- (1) Article 194(1) of the Treaty on the Functioning of the European Union (TFEU) states that EU energy policy should aim for security of energy supply in the Union, in a spirit of solidarity between Member States.
- (2) The Regulation on security of gas supply is intended to enhance solidarity and trust between the Member States and to allow the internal gas market to function for as long as possible, even when there is a shortage of supply.
- (3) The Regulation introduces, for the first time, a solidarity mechanism between Member States to mitigate the effects of a severe emergency within the Union and ensure that gas can flow to solidarity-protected customers.
- (4) When adopting the measures needed to implement the solidarity mechanism, Member States have to agree on a number of technical, legal and financial issues in their bilateral arrangements and describe them in their emergency plans.
- (5) To assist Member States with implementation, and having consulted the Gas Coordination Group, the Commission has prepared this non-binding guidance on the key elements that should be included in such arrangements,

HAS ADOPTED THIS RECOMMENDATION:

1. Member States should follow the legally non-binding guidelines in the Annex to this Recommendation. These guidelines should help Member States put in place technical, legal and financial arrangements to apply the solidarity obligations in Article 13 of Regulation (EU) 2017/1938 and describe them in the emergency plans they are required to draw up under the Regulation.
2. This Recommendation shall be published in the *Official Journal of the European Union*.

Done at Brussels, 2 February 2018.

For the Commission
Miguel ARIAS CAÑETE
Member of the Commission

⁽¹⁾ OJ L 280, 28.10.2017, p. 1.

ANNEX

I. INTRODUCTION

Regulation (EU) 2017/1938 ('the Regulation') translates the concept of solidarity into practice and establishes a solidarity mechanism between the Member States that comes into play when the conditions set out in the relevant provisions are fulfilled. Solidarity is a mechanism of last resort: it allows gas to flow uninterrupted, in a spirit of solidarity, to the most vulnerable. These are household customers and certain essential services defined as 'solidarity-protected customers' in Article 2(6) of the Regulation.

1. The solidarity mechanism

If a Member State requests solidarity, the solidarity mechanism includes an obligation for the other directly connected Member States to prioritise supply to solidarity-protected customers in the requesting Member State over domestic customers with no solidarity protection. This is only necessary where the market fails to deliver the necessary gas volumes ⁽¹⁾. The limits on the help a Member State can provide are:

- the available interconnection capacity,
- the amount of gas necessary for it to supply its own solidarity-protected customers where the gas supply to them is threatened,
- the safety of its own gas network, and
- for certain countries, the supply to critical gas-fired power plants to maintain the safety of the electricity supply.

As a last-resort measure, solidarity can only be triggered by a requesting Member State where the market, both in the requesting Member State and in any of the potential provider Member States, fails to offer the necessary gas volumes, including those offered voluntarily by non-protected customers, to meet the demand from solidarity-protected customers. Moreover, the measures in the requesting Member State's emergency plan, including forced curtailment down to the level of solidarity-protected customers, must have been exhausted. Despite these strict conditions for triggering solidarity, the mechanism provides households and essential social services with the certainty and security of an uninterrupted gas supply.

Under such circumstances, it is likely that non-market measures or curtailments have either already started or are imminent in the potential provider Member States as well. Otherwise, offers of certain gas volumes would still exist and gas could still flow to where it is needed following price signals (assuming they exist), without the need to trigger solidarity. The solidarity mechanism is effectively a temporary reallocation of the remaining gas from customers that are not solidarity protected customers in one Member State to solidarity-protected customers in another, within the same integrated European gas market. Solidarity can only be provided while the gas network is still able to safely reallocate and transport gas ⁽²⁾.

The different elements of a bilateral arrangement dealing with the legal, technical and financial aspects of solidarity are already partly covered by Article 13 of the Regulation. In addition, in their bilateral arrangements the Member States have to agree on all necessary elements and details so as to provide certainty and security to all involved in making the solidarity mechanism work. These arrangements have to be described in the respective emergency plans; in particular, the compensation mechanism, or at least a summary of it, must be included.

Compensation as described in Article 13 of the Regulation is wide-ranging. It encompasses payments for gas and additional costs (such as transport) for deliveries to solidarity-protected customers in the Member State requesting

⁽¹⁾ See Article 2(6) and Article 13 of the Regulation.

⁽²⁾ For this reason the measures in the emergency plan must ensure that the gas transmission system in the Member State requesting the solidarity is technically capable of accommodating the inflows (e.g. there is an adequate level of linepack available) when a solidarity action is triggered in an advanced stage of emergency.

solidarity, along with payments to customers in the Member State providing solidarity for being curtailed. For the purpose of these guidelines, compensation in this broader sense is referred to as 'compensation for solidarity'. Compensation for damages incurred due to curtailment is referred to as 'compensation for curtailment'.

There are several conditions for solidarity to work properly.

Firstly, market-based measures should be pursued for as long as possible. Member States need to make every effort to set up a mechanism or platform that allows for voluntary demand-side response. This is in the interest of the potential provider and requesting Member States alike as, alternatively, non-market measures — such as forced fuel-switch or curtailment of customers — will need to start at an earlier stage. It is also in line with the general principle in the Regulation that the market should be given maximum leeway to solve gas supply issues.

Secondly, wholesale prices need to be allowed to move freely, even during an emergency; freezing or capping prices will not allow price signals to reflect the need for additional gas, and so gas will not flow where it is needed.

Thirdly, cross-border access to infrastructure should be maintained technically and safely in accordance with Regulation (EC) No 715/2009 of the European Parliament and of the Council ⁽¹⁾ at all times, even in an emergency. Depending on the technical constraints in each Member State, arrangements should ensure that interconnectors, LNG terminals, underground gas storage facilities, hubs and demand-side offers, where appropriate, are fully accessible to market players across the border. This will delay the need to trigger solidarity in the Member State facing supply difficulties.

Fourthly, Member States are encouraged to cooperate throughout the different stages of an emergency. Effective cooperation in the early stages could delay the need to trigger solidarity. It would also prevent the development of potentially different gas prices (e.g. following the value of lost load for curtailed customer groups) on connected markets and act as a disincentive for (providing) solidarity.

2. Legal basis

Article 13(12) of the Regulation states that the Commission must provide legally non-binding guidance on the key elements of the technical, legal and financial arrangements by 1 December 2017, after consulting the Gas Coordination Group. That guidance must in particular cover how to apply the elements described in Article 13(8) and (10) of the Regulation in practice.

3. Scope of the guidelines

Article 13 of the Regulation identifies several elements and aspects of the solidarity mechanism that need to be agreed and included in bilateral arrangements. Offering useful guidance on these and any further elements that might be included in such arrangements first requires a better understanding of the situation in which solidarity might be triggered and the efforts and basic principles that could prevent such a situation from emerging at all. The current non-binding guidance does not and cannot aim at providing an exhaustive and prescriptive list appropriate for all Member States, as they must have the freedom to choose solutions that best suit them, given their capabilities, existing frameworks, situation and priorities. Instead, it recommends the use of a set of necessary and optional elements, describes possible ways of running certain solidarity measures, and offers examples and best practices.

The proposed approach is for Member States to use existing national frameworks and procedures wherever possible, or to adapt them as necessary for solidarity purposes. This may include, for example, the use of existing platforms for demand-side measures or existing customer compensation mechanisms.

⁽¹⁾ Regulation (EC) No 715/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the natural gas transmission networks and repealing Regulation (EC) No 1775/2005 (OJ L 211, 14.8.2009, p. 36).

II. LEGAL, TECHNICAL AND FINANCIAL ARRANGEMENTS

1. Legal arrangements

The objective of the legal arrangements is to provide legal certainty to all involved in providing or receiving gas in solidarity situations. Member States involved in applying the solidarity mechanism are advised to put in place clear, transparent and effective legal arrangements so that stakeholders know the rules and procedures for cross-border solidarity.

Article 13(10) of the Regulation requires that arrangements be put in place between interconnected Member States. At present, there are Member States that are not physically connected to any other Member State ⁽¹⁾, a group of Member States that are connected to each other but not to any other Member State ⁽²⁾, and several Member States that have a common border or exclusive economic zone but are not directly connected to each other ⁽³⁾. With infrastructure projects for interconnections currently under development, this may change. Should the interconnections come online after 1 December 2018, the relevant Member States will need to put in place the legal, financial and technical arrangements set out in Article 13(10) of the Regulation at the earliest opportunity.

1.1. Member States concerned and identification of third country (Article 13(2))

The Member States concerned by the solidarity mechanism are:

- the Member State that requested solidarity, and
- all Member States directly connected with the requesting Member State.

All directly connected Member States should conclude bilateral arrangements on applying the solidarity mechanism in advance, unless the Regulation provides for an exemption from such an obligation. If there is more than one Member State that can provide solidarity, the requesting Member State must consult all of them and request offers for the gas volumes it needs to supply the solidarity-protected customers. Any such offer gives practical form to the gas price agreement included in the prior bilateral arrangement. This agreement may contain a reference to a market price or an agreed methodology for calculating the gas price. Once the Member State requesting solidarity selects one or more offers, it identifies the Member State(s) actually involved in providing solidarity.

The obligation of other Member States that could provide solidarity but whose offers have not been selected is temporarily suspended. If the crisis situation further deteriorates the Member State that has asked for offers can turn to them at any time to request solidarity. However, the request will have to be resubmitted, given that circumstances are likely to change with time (for instance the gas price may change or the volume of potentially available gas may decrease). The Member State that receives such a request is advised to update its offer, taking account of any changes in the situation (gas volumes in underground storage, flows, temperature, consumption, etc.). For that reason, the Member States whose obligation has been temporarily suspended should be kept informed about the situation of the requesting Member State. The Commission will closely monitor the situation in the Member State receiving the solidarity.

In specific situations, the concept of directly connected Member States also covers a connection via a third country. Here, the right to request and the obligation to provide solidarity depends on the existing agreements between the Member States and the agreement of the third country concerned. The agreement between the Member States would have to indicate that the third country will have to commit to transit the gas volumes sent through its territory while solidarity is being provided. Without this commitment solidarity may not necessarily be achieved.

⁽¹⁾ Cyprus, Finland and Malta.

⁽²⁾ Estonia, Latvia and Lithuania.

⁽³⁾ Poland-Lithuania, Finland-Estonia, Finland-Sweden, Malta-Italy, Cyprus-Greece, Hungary-Slovenia. Poland-Czech Republic, Poland-Slovakia, France-Italy.

1.2. *Request for solidarity*

Crisis situations call for fast responses. Therefore, the request for solidarity should be short, standardised and contain a minimum amount of necessary information. Ideally, Member States concluding a bilateral arrangement may consider agreeing on a template and attach it to the arrangement as an annex. The following information would appear to be the minimum needed to efficiently respond to a solidarity request:

- name of the requesting Member State, including the entity in charge and contact person(s),
- name of the Transmission System Operator (TSO) or market area manager (where relevant) and responsible contact person(s),
- volume of gas requested (measured in a commonly agreed unit);
- information about gas pressure,
- indication by the Member State requesting solidarity of preferable delivery point(s),
- a request for an offer(s), including price (see section 3.1), volume, delivery points and time of delivery,
- a request to indicate the timing of the first possible delivery and the anticipated duration of providing supplies (indicating the anticipated period during which the requested Member State will provide solidarity),
- a reference to the commitment by the requesting Member State to pay compensation for solidarity.

A template for the replies by the requested Member States could ensure easier comparability and understanding of the quantities and conditions offered in solidarity. The template could be pre-filled with information known when the Member States enter into a bilateral arrangement and attached to the respective emergency plans.

1.3. *Start and end of solidarity exercise*

The request for solidarity is valid and triggers the obligation to provide solidarity from the moment the request is made. This will not be affected by the checks that the Commission conducts pursuant to Article 11(8) of the Regulation into whether the declaration of an emergency by the Member State requesting solidarity was justified and the measures taken to execute the actions listed in the emergency plan. The Commission has 5 days to carry out this verification procedure. It is unlikely that a Member State will request solidarity less than 5 days after declaring an emergency, since it will usually take some time for problems with the gas supply to reach a level that justifies making such a request. Should it do so, the Commission's checks into the justification for declaring an emergency will still be underway. However, any such ongoing verification should not impact the validity of the solidarity request.

The risk of misuse of the solidarity mechanism with an unjustified solidarity request is very limited, because of the far-reaching consequences and the strict conditions that must be fulfilled before the solidarity mechanism is triggered, namely:

- application of all emergency measures provided for in the emergency plan, and
- curtailment of customers without solidarity protection in the Member State requesting solidarity.

Should the Commission's checks come to the conclusion that a request for solidarity was not justified, the Member State that issued the unjustified request and received help from directly connected neighbours will pay for the gas received, together with additional costs to the Member States that provided help.

The obligation to provide solidarity ceases to apply when:

- after a verification procedure, the Commission concludes that declaring an emergency is no longer justified,

- the Member State that requested solidarity informs the Member States providing solidarity that it is again in a position to supply gas to its domestic solidarity-protected customers, and
- the Member State providing solidarity can no longer supply its own solidarity-protected customers.

It is also possible that, despite an ongoing acute gas crisis at home, the Member State that initially requested solidarity decides to renounce its right to request such solidarity — because it cannot afford to pay, for instance.

1.4. *Roles and responsibilities*

Member States should take ultimate responsibility for running the solidarity mechanism. This includes in particular the decision to request solidarity and the overall monitoring of how the entities responsible for specific tasks are operating the mechanism. The Regulation does not require the creation of new specific entities. Preferably, Member States are advised to allocate responsibilities to existing entities or, in special circumstances, to new entities, taking account of their organisational structure and experience in crisis management and emergency response. In order to reduce costs, and particularly to avoid fix costs, Member States could, rely on existing mechanisms where possible. The guiding principle in this respect should be providing solidarity efficiently and effectively.

The competent authorities under the Regulation would be responsible for implementing the framework, with tasks and responsibilities clearly assigned to the respective actors such as the TSOs, the national regulatory authority and gas undertakings. The competent authorities are also best placed to prepare the bilateral arrangements with competent authorities in the directly connected Member States. These could later form the legal basis for the solidarity, including payment of compensation and financial settlements after solidarity has been provided. Member States or competent authorities are also best placed to be in charge of sending or receiving requests for solidarity, offers for gas volumes and providing a notification when the solidarity application has been suspended. The financial responsibility related to compensation should ultimately also lie with the Member State.

Subject to the technical and legal constraints in each Member State, national regulatory authorities are best placed to lead or at least be involved in the process of calculating compensation costs on the basis of a methodology that they have developed beforehand and published in the emergency plan. The Agency for the Cooperation of Energy Regulators could be involved in this process. The TSOs should preferably be in charge of dispatching the necessary gas volumes, and do so in a cost-efficient manner.

The TSOs (or a balancing entity) are best placed to take responsibility for coordinating all technical aspects and implementing all necessary operational measures when solidarity is applied. The respective entity in the Member State that provides solidarity could also be the entity in charge of collecting claims for gas and the additional costs, verifying them and channelling them to the entity in charge in the Member State that benefits from solidarity. In this context, a one-stop-shop approach would be useful. The Member States are advised to identify and agree on the entity in charge of collecting and channelling claims for compensation for curtailment.

Making provision for a mediator in the bilateral arrangements concluded between Member States might reassure both of them about the payment and calculation of compensation costs. The mediator would help to solve any disagreement about the amount of the compensation to be paid.

1.5. *Legal form of the bilateral arrangements*

There is no explicit requirement with regard to the legal form of the bilateral arrangements. The Member States are free to find a legal form that creates rights and obligations between them if the solidarity mechanism is applied. The right to request solidarity and the obligation to provide solidarity are laid down in Article 13 of the Regulation. The bilateral arrangements will define how these rights and obligations established in Union law are to be exercised. The arrangements will be operational, not political in nature. On the face of it, for implementation purposes it may be enough for the relevant authorities to conclude a binding administrative arrangement. This might include existing bilateral treaty provisions, contractual arrangements between TSOs or specific licensing conditions for gas entities, provided they are overseen by the relevant competent authorities. On the other hand, a non-binding legal instrument such as a memorandum of understanding would not be sufficient, as it does not create legal obligations between the participants. Arrangements in the form of a memorandum would therefore fall short of the requirements of Article 13 to create a legally binding system for solidarity, and could be interpreted as insufficient implementation of Article 13(10).

2. Technical arrangements

The purpose of the technical arrangements is to describe all necessary technical provisions and conditions that would enable the solidarity mechanism to work in practice. This would require compulsory prior sharing of information about the technical capability and constraints of the relevant gas infrastructure and the maximum theoretical volumes of gas relevant for solidarity, together with the certainty that there are no undue technical constraints that would make solidarity difficult. If technical or other constraints exist, Member States are encouraged to identify and agree on mutually acceptable solutions to be applied at interconnection points if the solidarity mechanism is triggered.

Depending on the technical constraints within each Member State, it may be that the TSOs (or a balancing entity) are best placed to take responsibility for coordinating all technical aspects and implementing all necessary operational measures when solidarity is applied, based on their knowledge of the gas systems and their existing cross-border cooperation schemes ⁽¹⁾. These existing cooperation structures, agreements and experience should be taken into account in, or even serve as a basis for solidarity situations. In any case, a clear overarching framework must be identified (if already in place) or established, including the technical conditions, so that the necessary cooperation can be undertaken with legal certainty.

Technical data can be updated as necessary in the plans.

2.1. Technical solutions and coordination (Article 13(10)(c))

Technical solutions and arrangements can be made for the various parts of the infrastructure in a given Member State. This will provide a clear picture of the assistance available, the technical constraints involved and a better estimation of the costs of implementing each measure (if relevant). As potential crisis situations can be very different, it is important that TSOs (or a balancing entity) are left with a wide range of options and tools to draw on. An indicative and non-exhaustive list of technical solutions can be described in the technical arrangements, so that both parties are aware of the steps that might be taken before and during an emergency for solidarity purposes. Hydraulic simulations of solidarity measures may be beneficial for the preparedness for such situations.

There will have to be coordination across the relevant TSOs or market area managers, distribution system operators (DSOs), national emergency coordinators, competent authorities and entities involved in delivering the gas to the solidarity-protected customers. This will mean that gas from demand reduction in one Member State can be made available and supplied to a directly connected Member State requesting solidarity. TSOs, DSOs, national emergency coordinators and other entities involved in the delivery of gas to solidarity-protected customers should be involved early enough in the discussions on solidarity provisions and possibly tasked to work together to execute the solidarity arrangements.

TSOs should also be entitled to utilise unused transmission capacity, whether allocated or not. In any event compensation for the cost of transmission should be paid according to agreed principles.

Access to hubs and other platforms should be maintained for as long as possible, even in an emergency (Article 13(4) of the Regulation) to prevent the need to trigger solidarity. Therefore, there must be constant access to LNG terminals, storage and interconnection capacity, including bi-directional capacity, to allow efficient cross-border flows (Article 13(10)(c)). These aspects should be explicitly tackled in the arrangements.

2.2. Gas volumes or the methodology for setting them (Article 13(10)(d) of the Regulation)

Member States should inform neighbouring Member States (i.e. potential providers of solidarity) about the theoretical maximum gas volumes they may request and the limit on interconnector capacity, for the sake of

⁽¹⁾ The TSOs already work together on access to flexible gas in neighbouring Member States. Some of them have operational balancing agreements with adjacent TSOs. These agreements enable collaboration that meets residual balancing needs, while also managing short-term supply shocks and better monitoring entry/exit flows.

transparency and as a basis for the discussions on the arrangements. Nevertheless, the exact gas volumes needed, requested and available will be only known when solidarity is triggered. For the calculation of these theoretical maximum gas volumes, the following elements should be taken into consideration as a minimum:

- the solidarity-protected customers concerned,
- the critical gas-fired power plants concerned (where applicable) and their associated gas volumes, and
- domestic gas production in the producing Member States.

The supply standard scenarios adapted to solidarity-protected customers could act as a good starting point for this calculation.

All Member States have to identify their solidarity-protected customers using the definition provided for in Article 2(6) of the Regulation and their annual gas consumption (average and peak).

The critical gas-fired power plants and associated annual gas volumes (Article 13(1), second subparagraph of the Regulation) may have an important impact on the gas volumes available for solidarity. In the Member State providing solidarity, such gas volumes limit the amount potentially available for solidarity; in some receiving Member States the critical gas-fired power plants are prioritised over solidarity-protected customers, but the gas volumes necessary for their operation have no impact on the volumes that may be required.

The arrangements should include a detailed list of the gas-fired power plants identified as critical for the electricity system (Article 11(7) of the Regulation), to which natural gas should be supplied even during solidarity. Such list should be established on the basis of a requests and assessment by the gas and electricity TSOs. The list of power plants should be duly justified, and demonstrate that the short-term switch-off of these plants could threaten the safety of the power system. Additionally, the Member States could consider to agree on how often the list should be checked and updated.

Depending on the specific crisis situation, only the gas volumes needed for the power plants identified in the arrangements as critical when solidarity is requested, will be considered necessary. This may concern, for example, plants in a certain region. An ad hoc information exchange on the situation should take place as part of the communication between the relevant entities (TSO, competent authority) in the Member States before and while solidarity is provided.

The gas-producing Member States must indicate their annual production.

The volumes mentioned above can be identified at the beginning of each gas year or at different intervals, based on latest available data, plan updates or on an ad hoc basis.

2.3. *Operational safety of networks (Article 13(7) of the Regulation)*

The arrangements may provide the description of the technical possibilities and constraints of the individual gas networks that need to be maintained for the gas system to operate safely and reliably. This is important information for both the provider and receiving Member States. The minimum elements to be described are:

- Maximum interconnection export capability and the circumstances under which the TSO will deliver up to maximum export capability. The circumstances may include, for instance, system pressure, linepack, the availability of gas at certain entry points, or the level of gas storage with a respective level of withdrawal capacity. Ideally, these details should be defined for individual interconnection points.
- Maximum domestic production and constraints, where applicable. Where domestic production exists, it may be increased for certain periods of time. The relevant options and limitations may be described.
- Where applicable, capacity available through a third country and the technical elements of the agreement on it (Article 13(2) of the Regulation).

3. **Financial arrangements**

Financial arrangements should ensure that gas supplied under the solidarity mechanism is paid for at an appropriate price. These arrangements might cover the calculation of costs, compensation for solidarity (including compensation for curtailment) and the payment procedures to be identified and established between the relevant entities.

A mechanism providing for compensation for curtailment should offer incentives for solutions based on market logic, such as auctions and demand-side response (Article 13(4) of the Regulation). This may include references to mechanisms linked to national emergencies which indirectly facilitate solidarity by ensuring that the market in the Member State providing solidarity functions for as long as possible. The financial arrangements should not introduce perverse incentives such as withholding gas or speculating on a higher price at a later stage in the emergency, which could themselves trigger the need for solidarity. Compensation for solidarity is supposed to cover the costs actually incurred; it cannot become a source of profit for the providing entity. The Member State receiving solidarity should promptly pay the provider Member State a fair price for the gas received. The latter will then determine how these funds are handled and how they fit with existing balancing neutrality arrangements.

Any compensation paid to customers who are curtailed in an emergency — whether this stems from the obligation to provide cross-border solidarity or a national emergency — should be the same as set out in national law.

In view of the above, Member States may maintain the existing national mechanism (on curtailment-related compensation) for purely national emergencies (i.e. where there is no request for solidarity). This gives them the freedom to decide whether they wish to pay compensation or not for curtailed industry. However, when a national emergency develops into a situation where cross-border solidarity is triggered, one option may be to distribute the compensation for solidarity paid by the requesting Member State to the helping Member State among all curtailed consumer groups (curtailment), regardless of whether they were curtailed before or after solidarity was triggered. This option would follow a scheme designed in the Member State providing solidarity, but would preferably be based on a 'value of lost load'-type approach. Alternatively, Member States may also decide to pay compensation received for solidarity into a centrally managed 'solidarity fund'. This way, existing national compensation mechanisms for curtailment stay within the Member States' remit and at the same time different approaches in Member States will not lead to different treatment of curtailed consumer groups within a country when solidarity is provided cross-border where compensation for solidarity is obligatory.

The main elements of the compensation for solidarity are the gas price and the additional costs arising in the helping Member State from making sure the gas gets across the border based on costs actually incurred that the national legal framework in the helping Member State allows to be paid out.

Different approaches to determine the gas price may be followed and agreed in the arrangements, depending on the level of market development in the Member State, the measures available or the stage of the emergency. However, it is important that the arrangements are clear about the agreed approach, under which circumstances they would apply and that they identify any known parameters that would be used (e.g. the premium, if the last known trade plus premium is chosen).

3.1. *Price of gas*

The financial arrangements should refer to the price of delivered gas and/or the methodology for setting the price, taking into account the impact on market operations (Article 13(10)(b) of the Regulation). This latter condition can be understood as aiming at a price or methodology that does not distort the market or create perverse incentives. The gas price serving as the basis for compensation for solidarity is determined (by market or other means) in the Member State providing solidarity.

(a) *Market price*

As a guiding principle, the price of gas should not be lower than the market price, as that would lead to perverse incentives. If the price is kept unfrozen and allowed to dynamically follow gas demand and supply, it can provide a signal even during an emergency. In developed markets, maximum flows through interconnectors would follow the price signal to Member States in an emergency. Under such circumstances no solidarity is assumed to have been triggered.

In less developed markets, where prices might not be dynamic throughout an emergency, it may be necessary to use different measures to set the gas price, but these could still be market-based. The maximum reference price for solidarity gas could correspond to the price of the last transaction/trade in the EU on an exchange or virtual trading point, following a regulatory check to see how robust the price is. Member States may also agree to link the gas price to a specific hub.

In Member States where strategic storage exists, the Member State or competent authority decides at which point in time within the emergency situation it will allow the release of gas from strategic storage. The 'market' price at the time of (or just before) the stock release should be the price to be paid by the receiving Member State ⁽¹⁾.

(b) Administrative pricing/curtailment

If there is no market price, other approaches to set the gas price may be necessary, such as the last known market price or average market price at the closest accessible exchange, virtual trading point or at an agreed hub. The average may cover a reasonable period of time before delivery (e.g. 5 to 7 days) and an identical period after delivery, with or without a premium. Alternatively, the price of the last known gas trade or measure with or without a premium may also be a pointer. A premium may be considered in order to fill in the gap — if such a gap exists — between the last known price and the curtailed customers' value of lost load ⁽²⁾. The price can also be derived from an alternative fuel to which the Member State providing solidarity needs to switch to free up the necessary levels of natural gas.

A value of lost load calculation can be used to determine the price of the curtailed gas volumes, as we can assume that industrial consumers know their own value. The value reflects the benefits that the specific consumer group has lost as a result of being curtailed. With this approach, it should be known or communicated to the competent authority or national regulatory authority in advance. Usually this will also be reflected in the curtailment order in the national emergency plans. Moreover, this approach makes it easy to compare 'offers' from different Member States (see Article 13(4) of the Regulation).

Lastly, it may be worth looking at a methodology for price-setting by the national regulatory authority or competent authority, or the use of a proxy, such as the price of call options.

(c) Willingness to pay

It may be reasonable to determine the maximum amount each Member State is willing to pay for gas in a solidarity situation. The maximum value would likely be the value of lost load for solidarity-protected customers in a given Member State. Should the price of gas surpass this value, it is not in the Member State's interest to ask for gas under the solidarity mechanism. This information, however, does not necessarily need to be part of the arrangements or be reflected in the plans.

3.2. *Other categories of costs*

The financial arrangements should cover any other categories of costs, including relevant and reasonable costs of measures established in advance (Article 13(8)(b) of the Regulation), that will have to be covered by fair and prompt compensation (Article 13(10)(e)). Additional costs should be kept to a minimum and attention be paid to avoiding double counting, as many of the additional cost elements may already be reflected in the price of gas. It can be assumed that most additional costs would already be reflected in the price of gas, with the exception of transport costs.

(a) Transport and associated costs

The compensation should cover transport and associated costs, such as LNG cargo costs, regasification fees, and so on. It can be agreed between the Member States that the necessary capacities are booked for the solidarity volumes when needed, so that transport-related costs are paid for using standard TSO procedures.

(b) Costs of release of strategic storage or having storage obligations

In case of strategic storage, the cost of release of strategic storage can be included for the relevant volume of gas, as they were established in advance — unless they are already reflected in the gas price.

In principle, if there is a market price at the moment of release of the additional volumes from strategic storage, the market price would already reflect the additional cost associated with such a measure — including the cost of establishing it in advance. Otherwise the measure would not have been invoked at that moment, as cheaper solutions would still be available.

⁽¹⁾ For instance, Italy's strategic storage is priced at EUR 63/MWh; Hungary's strategic storage is linked to the price on TTF a few days before release, plus a premium.

⁽²⁾ There are cases where the premium covers the 'insurance value' of the freed-up gas. According to the industry, this is in the area of between EUR 0,5 and EUR 1/MWh.

The costs of such non-market security of supply measures are usually socialised and form part of the end-user's bill. An agreed pro rata contribution to the cost — in line with the amounts thus released for solidarity purposes — may be added to the additional costs to be paid by the receiving Member State.

However, storage obligations only require certain gas volumes to be kept in storage at the beginning of the winter season; after that, the stored gas is used in response to market demand and prices. Therefore, no additional costs should be attached to its release on top of the gas price and transport costs. In any event, account should be taken of the particular ways in which Member States manage strategic storage and storage obligations.

(c) Cost of reducing an increased supply standard

Reducing an increased supply standard to normal levels is an obligation under the Regulation when an emergency begins in a neighbouring Member State and when cross-border impact is likely. There is no link between the reduction in an increased supply standard and a solidarity request, i.e. the costs of such measures cannot be covered by compensation.

(d) Damages for curtailed industries (compensation for curtailment)

Other costs may also cover the costs incurred from an obligation to pay compensation in the helping Member State, including damages to curtailed industry. Such costs can be included in the compensation cost if the national legal framework provides for the obligation to pay damages to curtailed industry, including compensation for economic damage, on the top of the gas price. The relevant methodology for the calculation needs to be included in the arrangements. There may be agreement to pass on the amount of compensation actually incurred to the entities which use the solidarity gas in the Member State receiving solidarity.

However, the cost of damages to curtailed industry may only be covered by compensation if they are not reflected in the gas price that the Member State requesting solidarity has to pay; the Member State that requested solidarity should not have to pay compensation for the same costs twice.

(e) Cost of judicial proceedings in the Member State providing solidarity

Other costs may also relate to reimbursement for any costs resulting from judicial proceedings, arbitration proceedings and settlements, along with any related costs from such proceedings involving the Member State providing solidarity vis-à-vis the entities involved in providing such solidarity (Article 13(8)(c) of the Regulation). However, such compensation should only be paid against proof of costs incurred.

In the event of litigation involving a Member State providing solidarity and entity over (insufficient) compensation from the Member State receiving solidarity, there should be safeguards to protect the latter Member State from collusive behaviour between the Member State providing solidarity and entity. There may be circumstances in which the entity concerned and the Member State where it is established go to court against each other for a higher gas price or for more compensation for the entity and collude to the detriment of the Member State requesting solidarity, which is not even part of the legal proceedings. Such circumstances should be avoided.

The above situation is different from a situation where a company in the Member State providing solidarity starts judicial proceedings against an entity in the Member State receiving solidarity over the price of gas or compensation for curtailment. In such a situation the company or entity that loses the case must pay the costs involved.

3.3. *Indication of how fair compensation is calculated (Article 13(10)(f))*

The following methods may be considered in calculating fair compensation:

— A simple sum of all the elements described in the section above.

- Time value of money: payment should be made promptly. However, Member States may agree on an interest rate to be applied to the compensation once a realistic period has elapsed after the provision of solidarity, and once the exact amount of the compensation has been calculated and agreed.
- Agreement between Member States using different currencies on the currency in which compensation should be calculated and paid, including the relevant exchange rate.

3.4. *Calculating the compensation of all relevant and reasonable costs and the undertaking to pay the compensation (Article 13(3))*

It is likely that the calculation of the exact payment to the Member State that provided solidarity and to entities in that Member State can only realistically happen sometime after the gas requested under the solidarity mechanism has been delivered. In their bilateral arrangement Member States can agree on the approach to calculating the price of gas and additional costs, and on a realistic deadline for the payment.

Information about the gas volumes actually delivered and any other relevant information for calculating the compensation must be sent to the relevant contact person(s) in the Member States involved in the solidarity exercise so that both can carry out a final calculation of the compensation. The information may be available from the TSO, DSO, storage operator, a supplier or market area manager, depending on the measure applied. The calculation of the compensation may be delegated to another predefined entity.

3.5. *Arrangements for payment (Article 13(8), last subparagraph, of the Regulation)*

As a guiding principle, existing procedures for domestic payments and compensation (or balancing-type transactions) in a Member State and existing roles and responsibilities in this regard should be maintained and applied wherever possible to compensation payments for solidarity between Member States as well. Arrangements between Member States should focus on how to connect or implement an interface between these existing national frameworks. The nature of solidarity may require making the Member State or competent authority the interface bearing ultimate financial responsibility.

3.6. *Roles and responsibilities: who pays whom, or who arranges payments*

When voluntary demand-side measures are still possible in the helping Member State, access to the relevant platform and interconnection capacity needs to be maintained. It should be possible for a buyer across the border to make payments in the same way as a local buyer would for the gas — either directly to the gas undertaking or, if gas is procured by a balancing entity through a balancing platform, using the payment procedures in force for that platform ⁽¹⁾.

When curtailments are introduced, any existing legal framework, payment process or authority responsible for managing the payments in the Member State providing solidarity could be used or adapted as necessary for compensation payments from a neighbouring country.

The ultimate beneficiary of solidarity is the household consumer. The gas needed to serve them is channelled by the supplier, with flows across the border handled by the TSO and ultimately delivered by the DSOs. In the event of curtailment, the gas supplier of the curtailed non-protected customer should be sure of continued payments, taking into account the solidarity volumes. These should be settled according to the compensation scheme in the Member State. The potential roles and responsibilities can be distributed as described in point 1.4.

3.7. *Description of and steps in the payment process*

Depending on the existing frameworks and how the interface between these frameworks is agreed by the Member States, the agreed procedures need to be included in the arrangements.

⁽¹⁾ For example, with the NetConnect Germany short-term balancing product the commodity is paid through a dedicated account managed by the market area manager.

Assuming Member-State-to-Member-State involvement in financial aspects — and in particular monitoring, checking and channelling claims after solidarity gas has been delivered — the relevant entity in the Member State providing solidarity calculates the amount of the compensation based on the volume of gas delivered, the agreed cost elements and the agreed calculation method and submits its request for payment to the relevant entity in the requesting Member State. The Member State that has received solidarity gas confirms the amount actually delivered, checks the calculation and, if it has no objections, pays within the agreed deadline. Financial processes within the Member States — such as distribution of compensation or charging compensation for solidarity — follow national rules (e.g. they may be applied directly to the offering/curtailed entity or socialised).

The deadlines for the compensation calculation for solidarity, scrutiny and payment must be included in the arrangements. The same applies to the applicable law and arbitration options in the event of a dispute arising from use of the solidarity mechanism.

III. CONCLUSION

Thanks to the Regulation on security of gas supply, for the first time in EU energy policy the political desire for solidarity between Member States has become a reality on the ground. Moreover, the Regulation elevates solidarity from the status of a nationally applied concept to that of an EU-wide safety net for the most vulnerable. It introduces far-reaching rights and obligations that provide households and essential social services with the certainty and security of an uninterrupted gas supply. The guidance in this document offers a wide range of options for making the solidarity mechanism work, while Member States remain free to choose the solutions that best suit them.

