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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 5.6.2008
SEC(2008) 1979 final

Draft

DECISION No x/2008 of the EC-Denmark/Faroe Islands Joint Committee

amending Tables I and II of the Annex to Protocol 1 to the Agreement between the European Community, of the one part, and the Government of Denmark and the Home Government of the Faroe Islands, of the other part

- Draft common position of the Community -
(presented by the Commission)

EXPLANATORY MEMORANDUM

The tariff treatment and arrangements applicable to certain fish and fishery products originating in the Faeroes released for free circulation in the Community are specified in Protocol 1 to the Agreement between the European Community, of the one part, and the Government of Denmark and the Home Government of the Faroe Islands¹, of the other part.

In application of Protocol 1 the Community has granted tariff concessions for several fishery products, originating in the Faeroes. However, there is no tariff concession in Protocol 1 for imports of salted and dried coalfish (*Pollachius virens*), common whelk (*Buccinum undatum*) and crab (*Geryon affinis*) originating in the Faeroes.

Article 36 of the above-mentioned Agreement stipulates that at the request of the Faeroes, the Community will consider improving the access possibilities for specific products.

The Faeroes have requested that the aforementioned fishery products originating in the Faeroes be added to the list of fishery products in Table I of Protocol 1 that may be imported free of duty into the Community.

The Commission deems that it is reasonable to accept the requests given the tariff treatment and arrangements applicable to imports of the same products originating in other third countries such as Norway, Iceland and Greenland and the relatively low risk of such changes having a negative impact on the Community market. The Commission considers that the new fishery products should be subject to tariff quotas, to be included in Table II of Protocol 1.

Article 31 of the Agreement established a Joint Committee with responsibility for the administration of the Agreement and its implementation. In accordance with Article 34(1) of the Agreement, the Joint Committee may therefore adopt a decision modifying the annex of Protocol 1 to the Agreement.

In view of the foregoing, the Commission should propose to the Council the adoption of the attached draft decision as a common position of the Community in the next Joint Committee.

¹ OJ L 53, 22.2.1997, p. 2.

Proposal for a

DECISION No x/2008 of the EC-Denmark/Faroe Islands Joint Committee

amending Tables I and II of the Annex to Protocol 1 to the Agreement between the European Community, of the one part, and the Government of Denmark and the Home Government of the Faroe Islands, of the other part

THE JOINT COMMITTEE,

Having regard to the Agreement between the European Community, of the one part, and the Government of Denmark and the Home Government of the Faroe Islands, of the other part² hereinafter referred to as "the Agreement" and in particular Article 34(1) thereof,

Whereas:

- (1) The Annex to Protocol 1 to the Agreement specifies the customs duties and other conditions to be applied on import into the Community of certain fish and fishery products originating in and coming from the Faeroes.
- (2) Under this Annex, the Community has granted concessions for a number of fishery products, from the Faroe Islands.
- (3) The authorities of the Faroe Islands have requested that salted and dried coalfish (*Pollachius virens*), common whelk (*Buccinum undatum*) and crab (*Geryon affinis*) be added to the list of fishery products in Table I of the Annex to Protocol 1 that may be imported free of duty into the Community.
- (4) It is reasonable to include these fishery products in this table. They should however be subject to a tariff quota which is to be added to Table II of the Annex to Protocol 1.

HAS DECIDED AS FOLLOWS:

Article 1

Table I of the Annex to Protocol 1 to the Agreement shall be amended by the inclusion of the following rows:

'	0305	Fish, dried, salted or in brine, smoked fish, whether or not cooked before or during the smoking process; flours, meals and pellets of fish, fit for human consumption:		
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² OJ L 53, 22.2.1997, p. 2.

		- Dried fish, whether or not salted but not smoked:		
	0305 59	-- Other:		
	0305 59 80	--- Other:		
ex	0305 59 80	---- Coalfish (<i>Pollachius virens</i>)	0	TQ No 5
	0306	Crustaceans, whether in shell or not, live, fresh, chilled, frozen, dried, salted or in brine; crustaceans, in shell, cooked by steaming or by boiling in water, whether or not chilled, frozen, dried, salted or in brine; flours, meals and pellets of crustaceans, fit for human consumption:		
		- Frozen:		
	0306 14	-- Crabs:		
	0306 14 90	--- Other:		
ex	0306 14 90	---- Crabs of the species <i>Geryon affinis</i>	0	TQ No 6
	0307	Molluscs, whether in shell or not, live, fresh, chilled, frozen, dried, salted or in brine; aquatic invertebrates other than crustaceans and molluscs, live, fresh, chilled, frozen, dried, salted or in brine; flours, meals and pellets of aquatic invertebrates other than crustaceans, fit for human consumption:		
		- Other, including flours, meals and pellets of aquatic invertebrates other than crustaceans, fit for human consumption:		
	0307 91 00	-- Live, fresh or chilled:		
ex	0307 91 00	--- Common whelk (<i>Buccinum undatum</i>)	0	TQ No 7
	0307 99	-- Other:		
		--- Frozen:		
	0307 99 18	---- Other:		
ex	0307 99 18	----- Common whelk (<i>Buccinum undatum</i>)	0	TQ No 7
	1605	Crustaceans, molluscs and other aquatic invertebrates, prepared or preserved:		
	1605 90	- Other		
		-- Molluscs:		

	1605 90 30	--- Other:		
ex	1605 90 30	---- Common whelk (<i>Buccinum undatum</i>)	0	TQ No 7'

Article 2

Table II of the Annex to Protocol 1 to the Agreement shall be amended by the inclusion of the following rows:

	0305	Fish, dried, salted or in brine, smoked fish, whether or not cooked before or during the smoking process; flours, meals and pellets of fish, fit for human consumption: - Dried fish, whether or not salted but not smoked:	0	TQ No 5 (1) 750
	0305 59	-- Other:		
	0305 59 80	--- Other:		
	ex 0305 59 80	---- Coalfish (<i>Pollachius virens</i>)		
	0306	Crustaceans, whether in shell or not, live, fresh, chilled, frozen, dried, salted or in brine; crustaceans, in shell, cooked by steaming or by boiling in water, whether or not chilled, frozen, dried, salted or in brine; flours, meals and pellets of crustaceans, fit for human consumption: - Frozen:	0	TQ No 6 (1) 750
	0306 14	-- Crabs:		
	0306 14 90	--- Other:		
	ex 0306 14 90	---- Crabs of the species <i>Geryon affinis</i>		
	0307	Molluscs, whether in shell or not, live, fresh, chilled, frozen, dried, salted or in brine; aquatic invertebrates other than crustaceans and molluscs, live, fresh, chilled, frozen, dried, salted or in brine; flours, meals and pellets of aquatic invertebrates other than crustaceans, fit for human consumption:		

		- Other, including flours, meals and pellets of aquatic invertebrates other than crustaceans, fit for human consumption:		
	0307 91 00	-- Live, fresh or chilled:		
ex	0307 91 00	--- Common whelk (<i>Buccinum undatum</i>)	0	TQ No 7 (1) 1 200
	0307 99	-- Other:		
		--- Frozen:		
	0307 99 18	---- Other:		
ex	0307 99 18	----- Common whelk (<i>Buccinum undatum</i>)	0	TQ No 7 (1) 1 200
	1605	Crustaceans, molluscs and other aquatic invertebrates, prepared or preserved:		
	1605 90	- Other		
		-- Molluscs:		
	1605 90 30	--- Other:		
ex	1605 90 30	---- Common whelk (<i>Buccinum undatum</i>)	0	TQ No 7 (1) 1 200'

(1) For the year 2008 the volumes of the tariff quotas should be calculated as a *pro rata* of the basic volumes in proportion to the part of that year which elapsed before the tariff quotas apply.

Article 3

This Decision shall enter into force on the day of its adoption. It shall apply on 1 September 2008.

Done at Tórshavn,

*For the Joint Committee
The Chairman*

**LEGISLATIVE FINANCIAL STATEMENT FOR PROPOSALS HAVING A
BUDGETARY IMPACT EXCLUSIVELY LIMITED TO THE REVENUE SIDE**

1. NAME OF THE PROPOSAL:

Proposal for a Decision of the EC/Denmark-Faroe Islands Joint Committee amending Tables I and II of the Annex to Protocol 1 to the Agreement between the European Community, of the one part, and the Government of Denmark and the Home Government of the Faroe Islands, of the other part

2. BUDGET LINES:

Chapter and Article:

Chapter 12, Article 120

Amount budgeted for the year concerned: EUR 16 432 million

3. FINANCIAL IMPACT

☐ Proposal has no financial implications

☒ Proposal has no financial impact on expenditure but has a financial impact on revenue – the effect is as follows:

(€ million to one decimal place)

Budget line	Revenue ³	12 month period, starting 01/01/2008	[Year n]
Article 120	<i>Impact on own resources</i>	0.3	

Situation following action					
	[n+1]	[n+2]	[n+3]	[n+4]	[n+5]
Article 120	0.7	0.7	0.7		

³ Regarding traditional own resources (agricultural duties, sugar levies, customs duties) the amounts indicated must be net amounts, i.e. gross amounts after deduction of 25 % of collection costs.

4. ANTI-FRAUD MEASURES

The management of the quotas will be carried out by the Commission in accordance with the quota allocation procedure.

5. OTHER REMARKS

The 16th Joint Committee is scheduled for November 2008. Faroe Islands have proposed to adopt the Joint Committee Decision by exchange of letters. The decision will enter into force on 1 September 2008.

The potential loss of revenue has been calculated on the assumption that the quota volumes will be fully utilised. The calculation is based on the average value of coalfish (0305 59 80), common whelk (0307 91 00) and crab (0306 14 90) imported from the Faeroes during the period 2004-2006 as shown in the tables below (figures are rounded). The figures thus calculated were then reduced by 25 % to reflect the collection costs incurred by Member States.

In view of the low level of imports of common whelk of the tariff lines 0307 99 18 and 1605 90 30 from the Faeroes, it is not considered that the additional concession will have a material impact on the Community budget. Therefore, the potential loss of customs duties on imports of these products from the Faeroes has not been considered further.

Product description	Tariff line	Duty rate	EU imports from Faroe Islands in € (3 year average 2004-06)	EU imports from Faroe Islands in tonnes (3 year average 2004-06)	€ per tonne (3 year average 2004-06)
Coalfish (<i>Pollachius virens</i>), salted and dried	ex 0305 59 80	12 %	770.00	0.27	2,887.50
Common whelk (<i>Buccinum undatum</i>), live, fresh or chilled	ex 0307 91 00	11 %	23,750.00	28.20	842,20
Common whelk (<i>Buccinum undatum</i>), frozen	ex 0307 99 18	11 %	6,190.00	1.30	4,761.54
Common whelk (<i>Buccinum undatum</i>), prepared or preserved	ex 1605 90 30	20 %	0 (no imports)	0 (no imports)	0 (no imports)
Crabs of the species <i>Geryon affinis</i> , frozen	ex 0306 14 90	7.5 %	313,803.33	26.87	11,680.02

		Quota in tonnes	3 yr average in €	Duty at 12 % in €	Net of collection costs in €
coalfish	Additional quota amount Yr [n]	250*	721,875	86,625	64,968.75
	Yr [1]	750	2,165,625.00	259,875.00	194,906.25
	Yr [2]	750	2,165,625.00	259,875.00	194,906.25
	Yr [3]	750	2,165,625.00	259,875.00	194,906.25

		Quota in tonnes	3 yr average in €	Duty at 11 % in €	Net of collection costs in €
whelk	Additional quota amount Yr [n]	400*	336,879.43	37,056.74	27,792.55
	Yr [1]	1200	1,010,638.30	111,170.21	83,377.66
	Yr [2]	1200	1,010,638.30	111,170.21	83,377.66
	Yr [3]	1200	1,010,638.30	111,170.21	83,377.66

		Quota in tonnes	3 yr average in €	Duty at 7.5 % in €	Net of collection costs in €
crab	Additional quota amount Yr [n]	250*	2,920,006.20	219,000.48	164,250.3
	Yr [1]	750	8,760,018.61	657,001.40	492,751.05
	Yr [2]	750	8,760,018.61	657,001.40	492,751.05
	Yr [3]	750	8,760,018.61	657,001.40	492,751.05

* Entry into force on 1 September 2008 would give four months additional tonnes
pro rata temporis

Sum for three fishery products:

	Net of collection costs in €
Additional quota amount Yr [n]	257,011.65
Yr [1]	771,034.96
Yr [2]	771,034.96
Yr [3]	771,034.96