



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 7.1.2002  
COM(2001) 817 final

2002/0003 (ACC)

Proposal for a

**COUNCIL REGULATION**

**on administering the double-checking system without quantitative limits in respect of the export of certain steel products covered by the EC and ECSC Treaties from Ukraine to the European Community**

(presented by the Commission)

## **EXPLANATORY MEMORANDUM**

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

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

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

Proposal for a

**COUNCIL REGULATION**

**on administering the double-checking system without quantitative limits in respect of the export of certain steel products covered by the EC and ECSC Treaties from Ukraine to the European Community**

THE COUNCIL OF THE EUROPEAN UNION,

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

Having regard to the proposal from the Commission,

Whereas:

- (1) The Partnership and Cooperation Agreement establishing a partnership between the European Communities and their Member States, of the one part, and Ukraine, of the other part<sup>1</sup>, entered into force on 1 March 1998,
- (2) The European Community and the Government of Ukraine agreed to establish a double-checking system in respect of certain steel products for the period ranging from 1 July 1997 to 31 December 1999. This Agreement in the form an Exchange of Letters was approved on behalf of the European Community by means of Council Decision 97/481/EC<sup>2</sup>. The system was extended for the period ranging from 1 January 2000 to 31 December 2001 by means of Council Decision 2000/202/EC<sup>3</sup>. Council Regulation (EC) N°1526/97<sup>4</sup>, extended by Council Regulation (EC) N° 501/2000<sup>5</sup>, established the corresponding implementing legislation for the Community,
- (3) The situation relating to imports of certain steel products from Ukraine into the Community has been the subject of thorough examination and on the basis of relevant information supplied to them, the Parties have concluded an Agreement in the form of an Exchange of Letters<sup>6</sup> which establishes a double-checking system without quantitative limits for the period between the date of entry into force of this Regulation and 31 December 2004, unless both Parties agree to terminate the system earlier,
- (4) Since the measures necessary for the implementation of this Regulation are management measures within the meaning of Article 2 of Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of

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<sup>1</sup> OJ L 49, 19.2.1998, p.3

<sup>2</sup> OJ L 210, 4.8.1997, p. 15

<sup>3</sup> OJ L 62, 9.3.2000, p. 25

<sup>4</sup> OJ L 210, 4.8.1997, p. 30

<sup>5</sup> OJ L 62, 9.3.2000, p. 1

<sup>6</sup> See page ... of this Official Journal.

implementing powers conferred on the Commission<sup>7</sup>, they should be adopted by use of the management procedure provided for in Article 4 of that Decision.

HAS ADOPTED THIS REGULATION:

#### *Article 1*

1. For the period running from the date on which this Regulation enters into force to 31 December 2004, in accordance with the provisions of the above-mentioned Agreement in the form of an Exchange of Letters, imports into the Community of certain iron and steel products covered by the EC and ECSC Treaties originating in Ukraine, as listed in Appendix I, shall be subject to the presentation of a surveillance document conforming to the model shown at Appendix II issued by the authorities in the Community.
2. For the period running from the date on which this Regulation enters into force to 31 December 2004, imports into the Community of the iron and steel products originating in Ukraine and listed in Appendix I shall, in addition, be subject to the issue of an export document issued by the competent Ukrainian authorities. The export document shall conform to the model shown in Appendix III. It shall be valid for exports throughout the customs territory of the Community. Presentation by the importer of the original of the export document must be effected not later than 31 March of the year following that in which the goods covered by the document were shipped.
3. Shipment is considered to have taken place on the date of loading on to the exporting means of transport.
4. The classification of the products covered by this Regulation is based on the tariff and statistical nomenclature of the Community (hereinafter called the 'combined nomenclature', or in abbreviated form 'CN'). The origin of the products covered by this Regulation shall be determined in accordance with the rules in force in the Community.
5. The competent authorities of the Community undertake to inform Ukraine of any changes in the Combined Nomenclature (CN) in respect of products covered by this Agreement before their date of entry into force in the Community.

#### *Article 2*

1. The surveillance document referred to in Article 1 shall be issued automatically by the competent authority in the Member States, without charge for any quantities requested, within five working days of presentation of an application by any Community importer, wherever established in the Community. This application shall be deemed to have been received by the competent national authority no later than three working days after submission, unless it is proven otherwise.

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<sup>7</sup> OJ L 184, 17.7.1999, p. 23.

2. A surveillance document issued by one of the competent national authorities listed in Appendix IV shall be valid throughout the Community.
3. The importer's application for a surveillance document shall include the following elements:
  - (a) the name and full address of the applicant (including telephone and telefax numbers, and possible identification number used by the competent national authorities) and VAT registration number, if subject to VAT;
  - (b) if applicable, the name and full address of the declarant or representative of the applicant (including telephone and fax numbers);
  - (c) the full name and address of the exporter;
  - (d) the exact description of the goods, including - their trade name,
    - the combined nomenclature (CN) code(s),
    - the country of origin,
    - the country of consignment;
  - (e) the net weight, expressed in kg and also quantity in the unit prescribed where other than net weight, by combined nomenclature heading;
  - (f) the c.i.f. value of the goods in EUR at the Community frontier by combined nomenclature heading;
  - (g) whether the products concerned are seconds or of substandard quality<sup>8</sup> ;
  - (h) the proposed period and place of customs clearance;
  - (i) whether the application is a repeat of a previous application concerning the same contract;
  - (j) the following declaration, dated and signed by the applicant with the transcription of his name in capital letters:

'I, the undersigned, certify that the information provided in this application is true and given in good faith, and that I am established in the Community.' The importer shall also submit a copy of the contract of sale or purchase, the pro forma invoice and/or, in cases where the goods are not directly purchased in the country of production, a certificate of production issued by the producing steel mill.

4. Surveillance documents may be used only for such time as arrangements for liberalisation of imports remain in force in respect of the transactions concerned. Without prejudice to possible changes in the import regulations in force or decisions taken in the framework of an agreement or the management of a quota:

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<sup>8</sup> Under the criteria given in Commission communication concerning identification criteria of non-prime steel products from third countries applied by customs services of Member States (OJ N° C 180, 11.7.1991, p. 4.).

- the period of validity of the surveillance document is hereby fixed at four months,
  - unused or partly used surveillance documents may be renewed for an equal period.
5. The importer shall return surveillance documents to the issuing authority at the end of their period of validity.

### *Article 3*

1. A finding that the unit price at which the transaction is effected exceeds that indicated in the import document by less than 5 % or that the total value or quantity of the products presented for import exceeds the value or quantity given in the import document by less than 5 % shall not preclude the release for free circulation of the products in question.
2. Applications for import documents and the documents themselves shall be confidential. They shall be restricted to the competent authorities and the applicant.

### *Article 4*

1. Within the first 10 days of each month, the Member States shall communicate to the Commission:
  - (a) details of the quantities and values (calculated in EUR) for which import documents were issued during the preceding month;
  - (b) details of imports during the month preceding the month referred to in subparagraph (a).

The information provided by Member States shall be broken down by product, CN code and by country.

2. The Member States shall give notification of any anomalies or cases of fraud which they discover and, where relevant, the basis on which they have refused to grant an import document.

### *Article 5*

Any notices to be given hereunder shall be given to the Commission of the European Communities and shall be communicated electronically within the integrated network set up for this purpose, unless for imperative technical reasons it is necessary to use other means of communication temporarily.

*Article 6*

Committee

1. The Commission shall be assisted by a management committee composed of representatives of the Member States and chaired by a representative of the Commission.
2. Where reference is made to this paragraph, the management procedure laid down in Article 4 of Decision 1999/468/EC shall apply, in compliance with Article 7 (3) thereof.
3. The period provided for in Article 4 (3) of Decision 1999/468/EC shall be three months.

*Article 7*

Final provisions

Amendments to the Appendices which may be necessary to take into account modifications to the Annex or appendices attached to the Agreement in the Form of an Exchange of Letters between the European Community and Ukraine, or amendments made to Community rules on statistics, customs arrangements, common rules for imports or import surveillance, shall be adopted in accordance with the procedure laid down in Article 6 (2).

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

It shall apply with effect from 1 January 2002.

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

Done at Brussels,

*For the Council*  
*The President*

## APPENDIX I

### List of products subject to double-checking without quantitative limits

#### Ukraine

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

7211 23 99

7211 29 50

7211 29 90

7211 90 90

##### *Grain non-oriented electrical sheet*

7211 23 91

7225 19 10

7225 19 90

7226 19 10

7226 19 30

7226 19 90

##### *Ingots and other primary forms*

7218 10 00

7224 10 00

##### *Grain-oriented electrical sheet*

7226 11 90

**APPENDIX II**

**EUROPEAN COMMUNITY**

**SURVEILLANCE DOCUMENT**

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

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

**EUROPEAN COMMUNITY**

**SURVEILLANCE DOCUMENT**

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

<b>15. ATTRIBUTIONS</b> Indicate the quantity available in part 1 of column 17 and the quantity attributed in part 2 thereof			
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Extension pages to be attached hereto

**APPENDIX III**

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

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

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

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

## **APPENDIX IV**

**LISTE OVER KOMPETENTE NATIONALE MYNDIGHEDER  
LISTE DER ZUSTÄNDIGEN BEHÖRDEN DER MITGLIEDSTAATEN  
ΔΙΕΥΘΥΝΣΕΙΣ ΤΩΝ ΑΡΧΩΝ ΕΚΔΟΣΗΣ ΑΔΕΙΩΝ ΤΩΝ ΚΡΑΤΩΝ ΜΕΛΩΝ  
LISTA DE LAS AUTORIDADES NACIONALES COMPETENTES  
LISTE DES AUTORITES NATIONALES COMPETENTES  
ELENCO DELLE COMPETENTI AUTORITA NAZIONALI  
LIJST VAN BEVOEGDE NATIONALE INSTANTIES  
LISTA DAS AUTORIDADES NACIONAIS COMPETENTES  
LUETTELO TOIMIVALTAISISTA KANSALLISISTA VIRANOMAISISTA  
FÖRTECKNING ÖVER BEHÖRIGA NATIONELLA MYNDIGHETER  
LIST OF THE COMPETENT NATIONAL AUTHORITIES**

### **BELGIQUE/BELGIË**

Ministère des Affaires Economiques  
Administration des Relations Economiques  
Services Licences  
Rue Général Leman 60  
B-1040 Bruxelles  
Fax: +32-2-230 83 22

Ministerie van Economische Zaken  
Bestuur van de Economische Betrekkingen  
Dienst Vergunningen  
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### **DANMARK**

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### **DEUTSCHLAND**

Bundesamt für Wirtschaft und Ausfuhrkontrolle,  
(BAFA)  
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Fax : +49-61 96 9 42 26

### **ΕΛΛΑΣ**

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### **IRELAND**

Department of Enterprise, Trade and Employment  
Import/ Export Licensing, Block C  
Earlsfort Centre  
Hatch Street  
Dublin 2  
Fax : +353-1-631 28 26

### **ITALIA**

Ministero delle Attività Produttive  
Direzione generale per la politica commerciale e per  
la gestione del regime degli scambi  
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Fax : +39-6-59 93 22 35 / 59 93 26 36

### **LUXEMBOURG**

Ministère des affaires étrangères  
Office des licences  
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### **NEDERLAND**

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### **ÖSTERREICH**

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Aussenwirtschaftsadministration  
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**PORTUGAL**

Ministério da Economia  
Direcção-Geral das Relações Económicas  
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**SUOMI**

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Telekopio: + 358 9 614 2852

**SVERIGE**

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Fax: 46-8-30 67 59

**UNITED KINGDOM**

Department of Trade and Industry  
Import Licensing Branch  
Queensway House - West Precinct  
Billingham, Cleveland  
UK-TS23 2NF  
Fax : 44-1642-533 557

## FINANCIAL STATEMENT

1. Budget heading involved:

Chapter 12

2. Legal Basis:

Article 133 EC

3. Title of measure:

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

4. Purpose:

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

5. Method of calculation:

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