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(Acts whose publication is obligatory)

COUNCIL REGULATION (EEC) No 2561/77
of 21 November 1977

opening, allocating and providing for the administration of a Community tariff quota for liqueur wines falling within subheading ex 22.05 C of the Common Customs Tariff, originating in Cyprus and marketed under the label of 'Cyprus sherry', and introducing subsidies for similar wine products produced in the Community (1977)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 43 and 113 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament (1),

Whereas the exchange of letters referred to in Article 12 of the Protocol laying down certain provisions relating to the Agreement establishing an Association between the European Economic Community and the Republic of Cyprus consequent on the accession of new Member States to the European Economic Community (2) makes provision for special interim arrangements for the wine product exported under the label of 'Cyprus sherry' and intended for direct human consumption, which involve the non-application of countervailing charges on imports of this wine into Ireland and the United Kingdom, within the limits of an annual quota of 200 000 hectolitres ;

Whereas, to that end, Regulation (EEC) No 1253/73 (3), as amended by Regulation (EEC) No 3576/73 (4), as last extended and amended by Regulation (EEC) No 1606/76 (5), introduced arrangements for imports of the wine product exported under the label of 'Cyprus sherry', originating in and coming from Cyprus, and provided for subsidies for similar wine products produced in the Community as originally constituted and exported to Ireland and the United Kingdom ; whereas the arrangements in question expired on 30 June 1977 ;

(1) OJ No C 266, 7. 11. 1977, p. 25.

(2) OJ No L 133, 21. 5. 1973, p. 88.

(3) OJ No L 133, 21. 5. 1973, p. 115.

(4) OJ No L 359, 28. 12. 1973, p. 33.

(5) OJ No L 175, 1. 7. 1976, p. 6.

Whereas, as from 1 July 1977, imports of the product in question into the United Kingdom and Ireland, the traditional markets for the wine marketed under the label of 'Cyprus sherry', should, under the Act of Accession, be subject to the Common Customs Tariff duties ;

Whereas, to allow for the disposal of existing stocks, Community arrangements should be introduced for the second half of 1977, in the form of a Community tariff quota exempt from customs duties and the countervailing charge ;

Whereas these arrangements should not disturb the market in Community wines similar to liqueur wines originating in Cyprus and covered by this Regulation ; whereas, to avoid distortion of the conditions of competition between the said products and similar Community wines, provision should be made, in respect of the latter, for the granting of aids, based on the difference, on the market of the Member States of destination, between the prices of Community liqueur wines and the prices of the liqueur wines in question originating in Cyprus ;

Whereas a Community tariff quota should be opened under the conditions set out above and within the limits of 100 000 hectolitres for the period 1. July to 31 December 1977 ;

Whereas entry under the above Community tariff quota must be conditional on the presentation of the A.CY.1 movement certificate and on the wines being described as 'Cyprus sherry' in the V.I.1 document provided for in Regulation (EEC) No 2115/76 (6) ;

(6) OJ No L 237, 28. 8. 1976, p. 1.

Whereas it is in particular necessary to ensure equal and uninterrupted access to the abovementioned quota for all Community importers and uninterrupted application of the rates laid down for that quota to all imports of the products concerned into all Member States until the quota has been used up; whereas, having regard to the above principles, the Community nature of the quota would be respected by allocating the Community tariff quota among the Member States; whereas, in order to reflect as accurately as possible the actual development of the market in the products concerned, such allocation should be in proportion to the requirements of the Member States, assessed by reference to both the statistics relating to imports of the said products from Cyprus over a representative period and the economic outlook for the quota period concerned;

Whereas in this case, however, neither Community nor national statistics showing the breakdown for each of the types of wines in question are available; whereas, in these circumstances, the quota volume should be allocated in initial shares, taking into account demand for these wines on the markets of the various Member States and the requirements indicated by certain Member States;

Whereas, in order to take into account import trends for the products concerned in the different Member States, the quota amount should be divided into two instalments, the first being allocated among the Member States and the second held as a reserve intended to cover at a later date the requirements of Member States which have used up their initial share; whereas, in order to guarantee some degree of security to importers in each Member State, the first instalment of the Community quota should be fixed at a level which could, in the present circumstances, be 99 % of the quota volume;

Whereas the initial shares of the Member States may be used up at different times; whereas, in order to take this into account and to avoid disruption, any Member State which has used up almost all of its initial share should draw a supplementary share from the reserve; whereas this should be done by each Member State each time one of its supplementary shares is almost used up, and so on as many times as the reserve allows; whereas the initial and supplementary shares should be valid until the end of the quota period; whereas this form of administration requires close collaboration between the Member States and the Commission, and the Commission must be in a

position to follow the extent to which the quota volume has been used up and inform the Member States thereof;

Whereas if, at a given date in the quota period, a Member State has a considerable quantity of the initial share left over, it is essential that it should return a significant proportion thereof to the reserve to prevent a part of the Community quota from remaining unused in one Member State when it could be used in others;

Whereas, since the Kingdom of Belgium, the Kingdom of the Netherlands and the Grand Duchy of Luxembourg are united in and represented by the Benelux Economic Union, all transactions concerning the administration of the shares allocated to that economic union may be carried out by any one of its members,

HAS ADOPTED THIS REGULATION:

Article 1

1. Until 31 December 1977, the Common Customs Tariff duties in respect of the following products originating in Cyprus shall be totally suspended within the limits of an overall Community tariff quota of 100 000 hectolitres.

CCT heading No	Description of goods
ex 22.05 C II a) ex 22.05 C II b) ex 22.05 C III a) 2 ex 22.05 C III b) 3 ex 22.05 C IV a) 2 ex 22.05 C IV b) 3	} Liqueur wines marketed under the label of 'Cyprus sherry'

2. The Protocol on the definition of the concept of 'originating products' and on methods of administrative cooperation annexed to the Agreement between the European Economic Community and Cyprus shall be applicable.

3. The entry of these wines under the tariff quota referred to in paragraph 1 shall be conditional on their being described in the V.I.1 document provided for in Regulation (EEC) No 2115/76 as 'liqueur wines to be marketed under the label of "Cyprus sherry"'.

4. Within the limits of the above tariff quota, the products referred to in paragraph 1 shall be exempt from the countervailing charges provided for in Regulation (EEC) No 816/70 ⁽¹⁾, as last amended by Regulation (EEC) No 2211/77 ⁽²⁾.

Article 2

1. The quota laid down in Article 1 shall be divided into two instalments.

2. A first instalment, amounting to 99 000 hectolitres, shall be allocated among the Member States; the shares which, subject to Article 5, shall be valid up to 31 December 1977, shall be as follows:

	<i>(in hectolitres)</i>
Benelux	100
Denmark	100
Germany	100
France	100
Ireland	900
Italy	100
United Kingdom	97 600

3. The second instalment, amounting to 1 000 hectolitres, shall constitute the reserve.

Article 3

1. If 90 % or more of the initial share of a Member, as specified in Article 2 (2), or of that share less the portion returned to the reserve, where Article 5 has been applied, has been used, that Member State shall, without delay, by notifying the Commission, draw a second share equal to 15 % of its initial share, rounded up where necessary to the next whole number in so far as the amount in the reserve allows.

2. If, after the initial share has been used up, 90 % or more of the second share drawn by a Member State has been used up, that Member State shall, in accordance with the conditions laid down in paragraph 1, draw a third share equal to 7.5 % of its initial share, rounded up where necessary to the next whole number, in so far as the amount in the reserve allows.

3. If, after its second share has been used up, 90 % or more of the third share drawn by a Member State has been used up, that Member State shall, in accordance with the same conditions, draw a fourth share equal to the third.

This process shall continue to apply until the reserves are used up.

4. By way of derogation from paragraphs 1, 2 and 3, Member States may draw smaller shares than those

fixed in the said paragraphs, if there is reason to believe that those fixed might not be used up. They shall inform the Commission of their reasons for applying this paragraph.

Article 4

The additional shares drawn pursuant to Article 3 shall be valid until 31 December 1977.

Article 5

Member States shall return to the reserve, not later than 15 December 1977, the unused portion of their initial share which, on 1 December 1977, is in excess of 20 % of the initial amount. They may return a greater portion if there are grounds for believing that such portion might not be used in full.

Each Member State shall, not later than 15 December 1977, notify the Commission of the total imports of the products concerned effected under the Community quota up to and including 1 December 1977 and, where appropriate, the proportion of the initial share returned to the reserve.

Article 6

The Commission shall keep account of the shares opened by Member States pursuant to Articles 2 and 3 and, as soon as it has been notified, shall inform each State of the extent to which the reserve has been used.

The Commission shall notify Member States not later than 20 December 1977 of the amount in the reserve after the return of shares pursuant to Article 5.

The Commission shall ensure that the drawing which uses up the reserve is limited to the balance available and, to this end, shall specify the amount thereof to the Member State making the final drawing.

Article 7

1. Member States shall take all measures necessary to ensure that additional shares drawn pursuant to Article 3 are opened in such a way that imports may be charged without interruption against their aggregate shares in the Community quota.

2. Each Member State shall ensure that importers of the products concerned established in their territory have free access to the shares allocated to them.

3. The extent to which a Member State has used up its shares shall be determined on the basis of the imports of the products in question entered for home use.

⁽¹⁾ OJ No L 99, 5. 5. 1970, p. 1.

⁽²⁾ OJ No L 256, 7. 10. 1977, p. 1.

Article 8

1. Subsidies shall be granted for liqueur wines of Community origin similar to the liqueur wines described in the V.I.1 document provided for in Regulation (EEC) No 2115/76 as 'liqueur wines to be marketed under the label of "Cyprus sherry"' which are dispatched by 31 December 1977 from the producer Member States to the other Member States of the Community which have actually imported and marketed under this Regulation products referred to in Article 1.

2. The subsidies referred to in paragraph 1 shall be calculated on the basis of the difference, on the markets of the importing Member States, between the prices of Community liqueur wines and those of the liqueur wine marketed under the label of 'Cyprus sherry'.

Article 9

Detailed rules in respect, particularly, of the amount of the subsidy and of the Community liqueur wine

products eligible for aid, shall be adopted in accordance with the procedure laid down in Article 7 of Regulation No 24 on the progressive establishment of a common organization of the market in wine ⁽¹⁾.

Article 10

At the request of the Commission, Member States shall inform it of imports actually charged against their shares.

Article 11

The Member States and the Commission shall collaborate closely in order to ensure that this Regulation is observed.

Article 12

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

It shall apply until 31 December 1977.

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

Done at Brussels, 21 November 1977.

For the Council

The President

H. SIMONET

⁽¹⁾ OJ No 30, 20. 4. 1962, p. 989/62.