



Brussels, 18.12.2014
COM(2014) 744 final

ANNEX 1

ANNEX

to the

Proposal for a

COUNCIL DECISION

on the position to be taken on behalf of the European Union within the Committee on Trade in Goods set up by the Free Trade Agreement between the European Union and its Member States, of the one part, and the Republic of Korea, of the other part, as regards the adoption of the rules on TRQ administration

DRAFT

DECISION No 1 OF THE EU-KOREA COMMITTEE ON TRADE IN GOODS

of ...

on the adoption of the rules for Tariff Rate Quota administration and implementation

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DECISION No 1 OF THE EU-KOREA COMMITTEE ON TRADE IN GOODS

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on the adoption of the rules for Tariff Rate Quota administration and implementation

THE COMMITTEE ON TRADE IN GOODS,

Having regard to the Free Trade Agreement between the Republic of Korea ('Korea'), of the one part, and the European Union and its Member States, of the other part, ('the Parties' and 'the Agreement'), and in particular Articles 2.16, 15.2.1 and points 2 and 3 of Appendix 2-A-1 thereof,

Whereas:

- (1) Article 15.1 of the Agreement establishes a Trade Committee, which shall, *inter alia*, ensure that the Agreement operates properly and supervise the work of all specialised committees.
- (2) In accordance with Article 15.2 of the Agreement, specialised committees were established under the auspices of the Trade Committee. The Committee on Trade in Goods, in accordance with Article 2.16 of the Agreement, is one of these specialised committees.
- (3) Pursuant to point 2 of Appendix 2-A-1 of the Agreement, Korea may use an auction system to administer and implement the tariff-rate quotas ('TRQs') applied by Korea to certain originating goods of the European Union on the basis of the Agreement. The terms of the auction system have to be established by mutual agreement of the Parties by decision of the Committee on Trade in Goods.
- (4) Pursuant to point 3 of Appendix 2-A-1 of the Agreement, Korea may use a licensing system to administer and implement certain TRQs. The Parties shall agree in the Committee on Trade in Goods on the policies and procedures for the licensing system, including eligibility to receive TRQ quantities, and any changes or amendments to them,

HAS DECIDED AS FOLLOWS:

1. Korea will administer and implement the tariff-rate quotas applied by Korea to certain originating goods of the European Union on the basis of the Free Trade Agreement between the Republic of Korea, of the one part, and the European Union and its Member States, of the other part, in accordance with the rules set out in the Annex to this Decision.

2. This Decision shall enter into force on...

Done at,,

For the Committee on Trade in Goods

Mauro PETRICCIONE

Director

Directorate-General for Trade
of the European Commission

Hak-Do KIM

Director General for FTA Policy

Ministry for Trade, Industry and Energy
of the Republic of Korea

Annex

RULES FOR THE ADMINISTRATION AND IMPLEMENTATION OF THE TARIFF RATE QUOTAS

Article 1

Timing of auctions and license application

- (1) Auctions for skim milk powder, whole milk powder, condensed milk and natural honey shall precede the import period, i.e. in June for quotas opening in July.
- (2) The specific guidelines by the Korea Agro-Fisheries & Food Trade Corporation will provide that the public notices for the auctions will be made eight calendar days prior to the deadline of the application for participating in the auctions.
- (3) For product items whose timeline of quota license application is not fixed in the Korea-EU Free Trade Agreement, the specific guidelines of the agencies designated to manage Tariff Rate Quotas (TRQs) (hereinafter referred to as “Recommending Agencies”) will provide for a license application period of at least seven calendar days from the first working day of the execution year referred to in Annex 2-A, point 5 of the Korea-EU Free Trade Agreement.

Article 2

Deposit and fees

- (1) There will be no administrative cost or fees charged other than the deposit – the amount paid by bidders applying for auction - for services related to an application for a TRQ allocation through auction.
- (2) The general instructions to bidders for each auction will prescribe that the deposit is to be returned to bidders as soon as allowed by normal administration procedures after the auction is completed.
- (3) No guarantee or deposit will be required for license applicants.

Article 3

Issuance and validity of a recommendation

- (1) Recommending Agencies will issue a Korea-EU FTA TRQs Import Recommendation (hereinafter referred to as “Recommendation”) following an auction or a licence application.
- (2) Recommendations to the applicants shall be issued within two calendar days provided the submitted TRQs Recommendation application meets the Recommendation requirements.
- (3) A Recommendation for TRQs import will be valid for 90 days. The validity period may be extended for another 30 days, but cannot exceed the last day of the execution year referred to in Annex 2-A, point 5 of the Korea-EU Free Trade Agreement.

Article 4

Publishing information on TRQ administration

- (1) The guidelines of the Ministry of Agriculture, Food and Rural Affairs of Korea (hereinafter referred to as "MAFRA") and specific guidelines of Recommending Agencies will be published on their respective websites.

- (2) The Recommending Agencies will publish on a regular basis on their websites information that includes public notice for licence applications and auctions, license allocation and auction periods, allocated quantities, remaining quantities available for each TRQ and the planned date of the next auction/licensing period.
- (3) The basic criteria for auctions including eligibility, payment and return of deposit, auction dates, auction code and information will be contained in the specific guidelines by the Korea Agro-Fisheries & Food Trade Corporation or in the general instructions to bidders for each auction.

Article 5

TRQ allocation rules

The MAFRA guidelines allow the distribution of the annual TRQ volume throughout the year by dividing the annual TRQ volume into several sub-volumes, the sum of which equals the annual TRQ volume. The total TRQ volume for each execution year as set forth in the Korea-EU Free Trade Agreement shall not be reduced.

Tariff-rate quotas (TRQs) administration: Glossary

Recommending agencies	<p>Korean agencies designated to manage TRQs: Korea Dairy Industries Association, Korea Agro-Fisheries & Food Trade Corporation, Korea Feed Ingredients Association and the Korea Feed Milk Replacer Association</p> <p>Websites:</p> <p>Korea Dairy Industries Association (only the Korean language version available):</p> <p>http://www.koreadia.or.kr/</p> <p>Korea Agro-Fisheries & Food Trade Corporation:</p> <p>http://www.at.or.kr/home/apen000000/index.action</p> <p>Korea Feed Ingredients Association (only the Korean language version available):</p> <p>http://www.kfeedia.org/main.html</p> <p>Korea Feed Milk Replacer Association (only the Korean language version available):</p> <p>http://milkreplacer.or.kr/</p>
Deposit	<p>Amount paid by tenderers applying for an auction. The deposit is returned to every tenderer immediately after the quota recommendation.</p>
Recommendation	<p>Issue of an import TRQ following an auction or licence application.</p>
Validity period	<p>Period during which a recommendation for an import TRQ is valid.</p>
Execution year	<p>Period of 12 months between consecutive FTA anniversaries (July 1st) for which an annual TRQ volume is laid down in the Korea-EU FTA.</p>