

Proposal for a Regulation of the European Parliament and of the Council on applying a generalised scheme of tariff preferences and repealing Regulation (EU) No 978/2012 of the European Parliament and of the Council

Possible compromise proposal

Considering the positions expressed by Member States during the Trade Policy Committee – GSP meetings on 8 January, 12 January, 19 January, 26 January and 2 February, the written consultation completed on 5 February, and the TPC-GSP meeting on 9 February, the fourth Presidency compromise proposal was supported by 23 Member States but could not reach a qualified majority in the Council.

Therefore, the Presidency cancelled the meeting planned on 20 February, as there was no clear way forward in the short term.

Over the past few weeks, contacts between some Member States have been made in order to identify a possible compromise. The result of these contacts can be found in the annex. The changes from the fourth Presidency compromise proposal (*WK 1895/2024*) are highlighted in red in the text.

As previously proposed, the date of entry of application of the regulation would be 1 January 2026.

This text, if it receives sufficient support from Member States, could serve as a basis for a new Council's position. Member States are invited to share their assessment of this text during a new TPC-GSP meeting on Monday 11 March, followed by a written consultation. Given the tight timeline for legislative files to be agreed before the end of the term, next week is the last workable week to reach an agreement with Parliament.

If there is a qualified majority in favour of the proposal, the file would be sent to Coreper of 13 March.

(26) The UN 2030 Agenda for Sustainable Development in Sustainable Development Goal 10, target 7 calls for facilitating orderly, safe, and responsible migration and mobility of people, including through implementation of planned and well-managed migration policies. In this respect, it is essential for both origin and destination countries to address common challenges, such as, stepping up cooperation on readmission of own nationals and their sustainable reintegration in the country of origin, in full respect of international human rights standards.

(26a) EU return and readmission policy fully upholds the principle of non-refoulement and is carried out in compliance with fundamental international human rights principles. Improving sustainable reintegration and capacity building would also significantly strengthen the local development in the partner countries.

(26b) Voluntary return remains a crucial element of the common EU system for returns **which** offers the humane, effective and sustainable return of irregular migrants. Sustainable reintegration can help overcome the socio-economic and psychosocial difficulties migrants face when returning to their community and make their return more sustainable.

(27) Return, readmission and reintegration are a common challenge for the Union and its partners. In particular, every State has the obligation under international customary law to readmit its own nationals, who are illegally staying in the territory of another country. Multilateral international conventions such as the Convention on International Civil Aviation signed in Chicago on 7 December 1944 refer also to States' obligation to admit into its territory its nationals who have been deported from another State's territory. This approach and relevant actions should be implemented in accordance with fundamental international human rights principles.

(27a) Temporary withdrawal of preferences for serious and systematic shortcomings **of a beneficiary country [violations] related with regard** to the obligation to readmit **its** own nationals **of a beneficiary country**, should be considered only in relation to the beneficiary countries for which the Commission has **established considered** in accordance with Article 25a of the Visa Code that such countries **did are** not cooperating sufficiently on readmission, and for which measures in the field of visa policy have been **applied proposed** in accordance **to with** Article 25a(5)(a) of the Visa Code and where, **after a period of dedicated enhanced engagement**, the Commission considers that an insufficient level of cooperation on readmission persists.

(27b) In light of their specific situation, their socio-economic situation, their development levels and capacity constraints EBA beneficiary countries should benefit from an additional transitional period of 12 24 months before the possibility of temporarily withdrawing preferences for serious and systematic shortcomings with regard to the obligation to readmit their own nationals applies to those countries. Additionally, withdrawing EBA preferences should be possible only where insufficient cooperation on readmission persists after the adoption of measures pursuant to Article 25a(5)(a) of the Visa Code.

(27c) To assess the existence of the serious and systematic shortcomings **[violations]**, the Commission should rely on relevant and objective elements as laid down in Article 25a(2) of the Visa Code, including reliable data provided by the Member States, as well as by Union institutions, bodies, offices and agencies. When assessing a temporary withdrawal linked to serious and systematic shortcomings related to the obligation to readmit the beneficiary country's nationals, the Commission should take into account all measures taken to improve the cooperation of that beneficiary country on readmission.

[...]

[Source: 4 columns document - WK 7956/2023]

(36a) When implementing this Regulation, the Commission should provide to the European Parliament and the Council timely information on important procedural steps, such as accession to GSP+, **impacts on least-developed countries graduating from EBA**, the initiation of a temporary withdrawal procedure, ~~or of a safeguards investigation or a change in the Combined Nomenclature codes laid down in this Regulation setting out which products may be subject to a special safeguard~~. The Commission should also keep the European Parliament and the Council informed of enhanced engagement activities, including the outcome of monitoring missions to GSP+ beneficiary countries. If necessary, the procedures for transmission of confidential information may apply.

[...]

Article 18d

1. The existing bilateral dialogues and enhanced engagements with GSP beneficiary countries referred to in this Chapter may address cooperation in the readmission of that country's own nationals, when these are irregular migrants to the Union.

2. ~~Where the Commission has submitted a proposal if measures~~ pursuant to points (a) ~~and (b)~~ of Article 25a(5) of the Visa Code ~~have been adopted, the Commission it~~ shall hold a dedicated enhanced engagement ~~with a duration of at least 6 months~~ with the beneficiary country concerned in order to improve the level of cooperation of the beneficiary country in relation to the international obligation to readmit that beneficiary country's own nationals.

3. In case of serious and systematic ~~violations shortcomings~~ related to the international obligation to readmit a beneficiary country's own nationals, the preferential arrangements referred to in Article 1(2) may be withdrawn temporarily, in respect of all or of certain products originating in that beneficiary country, where ~~measures have been applied to such beneficiary country pursuant to points (a) and (b) of Article 25a(5) of the Visa Code and where~~ the Commission considers that an insufficient level of cooperation on readmission persists following :

a. ~~an the~~ enhanced engagement ~~foreseen referred to~~ in paragraph 2 **of at least 12 months after the date when the Commission submits the proposal in accordance with Article 25a(5)(a) of the Visa Code, for Standard GSP and GSP+ beneficiary countries.**

b. **an enhanced engagement referred to in paragraph 2 of at least 12 months after the date when the Council adopts an implementing decision in accordance with Article 25a(5)(a) of the Visa Code, for EBA beneficiary countries.**

4. The Commission may initiate the procedure to temporarily withdraw benefits from a beneficiary country pursuant to paragraph 3 only after having assessed, on a preliminary basis, whether a potential temporary withdrawal of benefits would be proportionate, taking into account the contribution of a temporary withdrawal to improving the cooperation with the third country in question, including in light of that country's socioeconomic situation. **The Commission shall inform the European Parliament and the Council of the conclusions of its assessment and produce a public report presenting its conclusions.**

5. Without prejudice to paragraphs 2, 3, and 4 of this Article, Articles 19(3) to (17) and Article 20 of this Regulation shall apply to the temporary withdrawal of preferences pursuant to paragraph 3 of this Article.

6. The report on the application of this Regulation provided for in the ~~first~~ **second** paragraph of Article 40, due on 1 January 20**27**~~32~~, will include an assessment of the need for and the functioning of the link between GSP preferences and cooperation on readmission of own nationals by beneficiary countries.

7. Paragraphs 3 and 4 shall apply to EBA beneficiary countries from [12 24 months after the date of application of this Regulation].

CHAPTER V
Temporary withdrawal provisions common to all arrangements

Article 19

1. The preferential arrangements referred to in Article 1(2) may be withdrawn temporarily, in respect of all or of certain products originating in a beneficiary country, for any of the following reasons:

- (a) serious and systematic violation of principles laid down in the conventions listed in Annex VI;
- (b) export of goods made by internationally prohibited child labour and forced labour, including slavery and prison labour;
- (c) serious shortcomings in customs controls on the export or transit of drugs (illicit substances or precursors), ~~or serious shortcomings related to the obligation to readmit the beneficiary country's own nationals~~ or serious failure to comply with international conventions on antiterrorism or anti money laundering;
- (d) serious and systematic unfair trading practices ...

[...]

[Source: Council general approach - ST 16270/22 INIT]

3. Where the Commission, acting upon a complaint or on its own initiative, considers that there are sufficient grounds justifying temporary withdrawal of the tariff preferences provided under any preferential arrangement referred to in Article 1(2) on the basis of the reasons referred to in paragraph 1 of this Article and taking into account the engagement mentioned under paragraph 2a, it shall adopt an implementing act to initiate the procedure for temporary withdrawal in accordance with the advisory procedure referred to in Article ~~41~~ **39(2)**. **When used on the basis of Article 18d(3) b) it shall adopt an implementing act to initiate the procedure for temporary withdrawal in accordance with the examination procedure referred to in Article 39(3)**. The Commission shall inform the European Parliament and the Council of the adoption of that implementing act.

[...]

[Source: Council general approach - ST 16270/22 INIT]

Article 29

1. Without prejudice to Section I of this Chapter, on 1 January of each year, the Commission, on its own initiative and in accordance with the advisory procedure referred to in Article 39(2), shall adopt an implementing act in order to remove the tariff preferences referred to in Articles 7 and 12 with respect to the products from GSP sections S-11a **of Annex III, to products from GSP section and** S-11b **of Annex III**, or to products falling under Combined Nomenclature codes 2207 10 00, and 2207 20 00, ~~2909 19 10, 3814 00 90, 3820 00 00, 3824 99 56, 3824 99 57, 3824 99 92, 3824 84 00, 3824 85 00, 3824 86 00, 3824 87 00, 3824 88 00, 3824 99 93, and 3824 99 96~~, where imports of such products, originate in a beneficiary country and their total value:

(a) for products falling under Combined Nomenclature codes 2207 10 00, **and** 2207 20 00, ~~2909 19 10, 3814 00 90, 3820 00 00, 3824 99 56, 3824 99 57, 3824 99 92, 3824 84 00, 3824 85 00, 3824 86 00, 3824 87 00, 3824 88 00, 3824 99 93, and 3824 99 96~~, exceeds the share referred to in point 1 of Annex IV of the value of Union imports of the same products from all countries and territories listed in Annex I, column C, during a calendar year.

(b) for products under GSP sections S-11a **of Annex III** and **for products under GSP section** S-11b **of Annex III**, exceeds the share referred to in point 3 of Annex IV of the value of Union imports of products in GSP sections S-11a **of Annex III** **and or of products under GSP section** S-11b **of Annex III** from all countries and territories listed in Annex I, column C, during a calendar year.

2. Paragraph 1 shall not apply to EBA beneficiary countries, nor shall it apply to countries with a share for the relevant products referred to in paragraph 1 not exceeding 6 % of **the value of** total Union imports of the same products.

3. The removal of the tariff preferences shall become applicable two months after the date of publication of the Commission's act to that effect in the Official Journal of the European Union.

[...]

[Source: Council general approach - ST 16270/22 INIT]

Article 32

1. Without prejudice to Section I of this Chapter, products from Chapters 1 to 24 of the Common Customs Tariff as laid down by Regulation (EEC) No 2658/87, originating in beneficiary countries, may be subject to a special surveillance mechanism, in order to avoid disturbances to Union markets. In relation to specific products, special surveillance shall be launched at the request of a Member State or may be launched by the Commission.

1a. Where results of the special surveillance of determined products under Article 32 confirm disturbance to Union markets, the Commission, after consulting the Committee for the relevant agriculture or fisheries common market organisation, shall adopt an implementing act in accordance with the examination procedure referred to in Article 39(3), in order to apply Common Customs Tariff duties to the products under surveillance. The removal of the tariff preferences shall become applicable from the day following the date of publication of the relevant implementing act in the Official Journal of the European Union.

1b. When assessing the disturbance to Union market under paragraph ~~2~~ 1 of this Article, the Commission shall take into consideration all relevant market developments, including the impact of the total imports concerned on the situation of the Union market. That examination shall include factors such as the impact of imports concerned on the Union price level, the impact of imports from other sources, an upsurge of imports from a beneficiary country, as well as the impact of imports on the overall stability of the relevant product Union market.

1c. The Commission assessment shall take no longer than six months. By way of derogation, the period for the assessment may, where necessary, be extended for a total of twelve months.

1d. The Common Customs Tariff duties shall be reintroduced for a period of 12 months. By way of derogation, the period of reintroduction of those duties may be prolonged, where such a prolongation is necessary, to counteract the disturbance to the relevant Union markets.

[...]

[Source: Council general approach - ST 16270/22 INIT]

Article 39

1. The Commission shall be assisted by the Generalised Preferences Committee established by Regulation (EC) No 732/2008. That Committee shall be a committee within the meaning of Regulation (EU) No 182/2011.

2. Where reference is made to this paragraph, Article 4 of Regulation (EU) No 182/2011 shall apply.

3. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.

4. Where reference is made to this paragraph, Article 8 of Regulation (EU) No 182/2011, in conjunction with Article 5 thereof, shall apply.