COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 28.03.2000
COM(2000) 136 final

Proposal for a

COUNCIL REGULATION

amending Annex I to Regulation (EEC) No 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff

(presented by the Commission)

EXPLANATORY MEMORANDUM

1. According to the Common Customs Tariff, when condoms are made of rubber they are classified under Chapter 40 as "hygienic articles, of rubber". As such, they are exempt from import duties.

2. When they are made of polyurethane, condoms are classified under Chapter 39 of the Combined Nomenclature as "other articles, of plastics", and as such are subject to import duties of 6.5%.

3. It is therefore desirable, on public health grounds, that condoms made of polyurethane should benefit from the same tariff treatment as those made of rubber. The proposed Regulation would therefore autonomously exempt them from customs duties.

4. In the light of the foregoing, it is proposed that Council Regulation (EEC) No 2658/87 should be amended accordingly.

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 26 thereof,

Having regard to the proposal from the Commission[1],

Whereas:

(1) Council Regulation (EEC) No 2658/87[2] established a nomenclature of goods called the "Combined Nomenclature", which provides for an exemption from tariff duties for rubber condoms, which fall under Chapter 40.

(2) Polyurethane condoms fall under Chapter 39 and are therefore subject to a customs duty of 6.5%.

(3) On public health grounds, it is in the interest of the Community to autonomously extend this exemption from customs duties to polyurethane condoms. The Combined Nomenclature and the law referring to it should therefore be amended accordingly,

HAS ADOPTED THIS REGULATION:

Article 1

A reference to a footnote (2) is hereby added to column 3 for CN code 3926 90 99 in Chapter 39, Section VII of Part Two, Schedule of Customs Duties, of Annex I to Regulation (EEC) No 2658/87. The text of footnote (2) is as follows: "Customs duty is autonomously suspended, for an indefinite period, for sheath contraceptives of polyurethane (Taric Code 3926 90 99 60)".

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1 OJ C

2 OJ L 256, 7.9.1987, p. 1. Regulation last amended by Regulation (EC) No 254/2000 (OJ L 28, 3.2.2000, p. 16).

Article 2

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

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

Done at Brussels,

For the Council
The President

FINANCIAL STATEMENT

1. TITLE OF OPERATION

Proposal for a Council Regulation amending Annex I to Regulation (EEC) No 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff

2. BUDGET HEADING INVOLVED

Chapter 12 Article 120

3. LEGAL BASIS

Article 26 of the Treaty

4. DESCRIPTION OF OPERATION

Autonomous exemption from duties for certain products falling under Chapter 39 of the Combined Nomenclature

5. FINANCIAL IMPACT

Product falling under heading ex 3926 90 99. It is very difficult to estimate the loss of own resources involved since we do not have tariff statistics on imports of this product. Nevertheless, judging by the information provided by the requesting country and by imports of rubber products to that country as a proportion of total imports to the EU, and not taking account of any tariff preferences granted to certain trade partners, the loss of own resources involved may be estimated at a maximum of EUR 300 000 for 2000.

6. FRAUD PREVENTION MEASURES

– Application of the normal measures under the Community Customs Code.