

ADDITIONAL PROTOCOL

to the Agreement between the European Economic Community and the Swiss Confederation consequent on the accession of the Kingdom of Spain and the Portuguese Republic to the Community

THE EUROPEAN ECONOMIC COMMUNITY,

of the one part, and

THE SWISS CONFEDERATION,

of the other part,

HAVING REGARD to the Agreement between the European Economic Community and the Swiss Confederation signed in Brussels on 22 July 1972, hereinafter called the 'Agreement',

HAVING REGARD to the accession of the Kingdom of Spain and the Portuguese Republic to the European Communities on 1 January 1986,

CONSIDERING that, on 18 December 1985, for the period 1 January 1986 to 28 February 1986, the Community and the Swiss Confederation had agreed upon the arrangements applicable to trade between Switzerland, on the one hand, and Spain and Portugal, on the other,

HAVE DECIDED to determine by common accord the adjustments and transitional measures to the Agreement consequent on the accession of the Kingdom of Spain and the Portuguese Republic to the European Economic Community, and

TO CONCLUDE THIS PROTOCOL:

TITLE I

Adjustments

Article 1

The Agreement, the Annexes and Protocols, which form an integral part thereof, the Final Act and the declarations annexed thereto shall be drawn up in the Spanish and Portuguese languages and those texts shall be authentic in the same way as the original texts. The Joint Committee shall approve the Spanish and Portuguese texts.

Article 2

Products covered by the Agreement and originating in Switzerland, when imported into the Canary Islands, Ceuta or Melilla, shall enjoy in all respects the same customs regime as that which is applied to products originating in the customs territory of the Community, including the *arbitrio insular* charge applied in the Canary Islands.

The Swiss Confederation shall grant to imports of products covered by the Agreement and originating in the Canary Islands, Ceuta or Melilla the same customs regime as that which is granted to products imported from and originating in Spain.

TITLE II

Transitional measures concerning Spain, on the one hand, and Switzerland, on the other

Article 3

1. For the products covered by the Agreement and subject to the provisions of Article 5, the customs duties on imports between Switzerland and Spain applicable to products originating in those countries shall be progressively abolished in accordance with the following timetable:

- on 1 March 1986, each duty shall be reduced to 90,0 % of the basic duty,
- on 1 January 1987, each duty shall be reduced to 77,5 % of the basic duty,
- on 1 January 1988, each duty shall be reduced to 62,5 % of the basic duty,
- on 1 January 1989, each duty shall be reduced to 47,5 % of the basic duty,
- on 1 January 1990, each duty shall be reduced to 35,0 % of the basic duty,
- on 1 January 1991, each duty shall be reduced to 22,5 % of the basic duty,
- on 1 January 1992, each duty shall be reduced to 10,0 % of the basic duty,
- the last reduction of 10 % shall be made on 1 January 1993.

2. The rate of the duties calculated in accordance with paragraph 1 shall be applied by rounding down to the first decimal place by deleting the second decimal.

Article 4

1. Subject to the provisions of the following three paragraphs, the basic duty to which the successive reductions provided for in Article 3 are to be applied shall, for each product, be the duty actually applied on 1 January 1985 in trade between Switzerland and Spain.

2. However, if after that date and before accession a tariff reduction has been applied, such reduced duty shall be considered as a basic duty.

3. For the products listed in Annex I, the basic duty applied by Spain shall be that indicated against each product.

4. For crude petroleum oils or oils obtained from bituminous minerals falling within heading No 27.09 of the Common Customs Tariff the basic duty applied by Spain shall be nil.

Article 5

1. The variable component which the Kingdom of Spain may apply in accordance with Article 1 of Protocol No 2 to the Agreement to certain products listed in Table I of that Protocol, originating in Switzerland, shall be adjusted by the compensatory amount applied in trade between the Community as constituted on 31 December 1985 and Spain.

2. For the products listed in Table I of Protocol No 2 to the Agreement, the Kingdom of Spain shall abolish, in accordance with the timetable laid down in Article 3, the difference between:

— the basic duty to be applied by Spain in accordance with Article 4,

and

— the duty (other than the variable component) indicated in the last column of Table I of Protocol No 2.

3. For the products listed in Table II of Protocol No 2 to the Agreement, the Swiss Confederation shall abolish, in accordance with the timetable laid down in Article 3, the difference between:

— the basic duty to be applied by Switzerland in accordance with Article 4,

and

— the duty (other than the variable component) indicated in the last column of Table II of Protocol No 2.

Article 6

If the Kingdom of Spain suspends in whole or in part the levying of the customs duties applicable to products imported from the Community as constituted on 31 December 1985, it shall also suspend or reduce, by the same percentage, the customs duties on imports applicable to products originating in Switzerland.

Article 7

1. If the Kingdom of Spain opens to third countries tariff quotas actually applied on 1 January 1985, products imported from Switzerland shall be subject to the same treatment as products imported from the Community as constituted on 31 December 1985, whilst such quotas remain open.

2. If tariff quotas are not opened, the Kingdom of Spain shall apply to products imported from Switzerland the duties applied in the case of such quotas being opened. The quantities or value subject to these duties shall be limited to the amounts actually imported from Switzerland under the same quotas opened on 1 January 1985.

Article 8

1. If the Kingdom of Spain applies quantitative restrictions on imports from the Community, as constituted on 31 December 1985,

— of the products referred to in Annex II, until 31 December 1988,

— of the products referred to in Annex III, until 31 December 1989,

it shall also apply quantitative restrictions on the same products originating in Switzerland.

2. The quantitative restrictions referred to above shall take the form of global quotas which are also opened for imports originating in the other EFTA countries.

The initial global quotas for 1986 are listed in Annexes II and III, respectively.

3. The rate of progressive increase for quotas referred to in Annex II and for quotas 1 to 5 and 10 to 14 referred to in Annex III shall be 25 % at the beginning of each year for quotas expressed in ECU and 20 % at the beginning of each year for quotas expressed in terms of volume. The increase shall be added to each quota and the next increase calculated on the basis of the total thus obtained.

For the quotas 6 to 9 listed in Annex III; the annual rate of progressive increase shall be as follows:

- first year: 13 %,
- second year: 18 %,
- third year: 20 %,
- fourth year: 20 %.

4. Where it is found that imports into Spain of a product listed in Annex II or III have for two consecutive years been less than 90 % of the quota, the Kingdom of Spain shall, from the beginning of the year following those two years, liberalize imports of that product originating in Switzerland or in other countries referred to in paragraph 2, if the product is liberalized at that time in respect of the Community as constituted on 31 December 1985.

5. If the Kingdom of Spain liberalizes imports of a product listed in Annex II or III coming from the Community as constituted on 31 December 1985 or increases a quota beyond the minimum rate applicable to the Community as constituted on the abovementioned date, it shall also liberalize imports of that product originating in Switzerland or increase the global quota proportionately.

6. For the administration of the abovementioned quotas, the Kingdom of Spain shall apply the same administrative rules and procedures as those applied to imports of such products originating in the Community as constituted on 31 December 1985.

TITLE III

Transitional measures concerning Portugal, on the one hand and Switzerland, on the other

Article 9

1. For the products covered by the Agreement and subject to the provisions of Article 12, the customs duties on imports into Portugal applicable to products originating in Switzerland shall be progressively abolished in accordance with the following timetable:

- on 1 March 1986, each duty shall be reduced to 90 % of the basic duty,
- on 1 January 1987, each duty shall be reduced to 80 % of the basic duty,
- on 1 January 1988, each duty shall be reduced to 65 % of the basic duty,
- on 1 January 1989, each duty shall be reduced to 50 % of the basic duty,
- on 1 January 1990, each duty shall be reduced to 40 % of the basic duty,

- on 1 January 1991, each duty shall be reduced to 30 % of the basic duty,
- the other two reductions of 15 % each shall be made on 1 January 1992 and 1 January 1993, respectively.

2. The rate of duties calculated in accordance with paragraph 1 shall be applied by rounding down to the first decimal place by deleting the second decimal.

Article 10

1. Subject to the provisions of the following three paragraphs, the basic duty to which the successive reductions provided for in Article 9 are to be applied shall, for each product, be the duty actually applied by the Portuguese Republic on 1 January 1985 in trade with Switzerland.

2. However, if after that date and before accession a tariff reduction has been applied, such reduced duty shall be considered as a basic duty.

3. For the products listed in Annex IV, the basic duty applied by Portugal shall be that indicated against each product.

4. For the products listed in Annex V, as well as for matches and tinder, the basic duties shall be those indicated in the said Annex.

Article 11

1. The following charges applied by Portugal in trade with Switzerland shall be progressively abolished in accordance with the following timetable:

- (a) the *ad valorem* charge of 0,4 % applied to goods imported temporarily, goods reimported (excluding containers) and goods imported under the inward processing arrangements characterized by the rebate of duties levied on the import of goods used after export of the products obtained ('drawback') shall be reduced to 0,2 % on 1 January 1987 and abolished on 1 January 1988;
- (b) the *ad valorem* charge of 0,9 % applied to goods imported for home use shall be reduced to 0,6 % on 1 January 1989, reduced to 0,3 % on 1 January 1990 and abolished on 1 January 1991.

2. The Portuguese Republic shall progressively abolish for liquorice extract containing more than 10 % by weight of sucrose but not containing other added substances, falling within subheading 17.04 A of the Common Customs Tariff, the fiscal element of Esc 5 per kilogram in accordance with the timetable laid down in Article 9.