COMMISSION DECISION (EU) 2023/1810

of 19 September 2023

on a request for extended cumulation between Cambodia and Vietnam, in accordance with Article 56(1) of Delegated Regulation (EU) 2015/2446, as regards the rules of origin used for the purposes of the scheme of generalized tariff preferences pursuant to Delegated Regulation (EU) 2015/2446 for certain materials or parts used in the production of bicycles

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code ([1]), and in particular Article 64(3) thereof,

Having regard to Commission Delegated Regulation (EU) 2015/2446 of 28 July 2015 supplementing Regulation (EU) No 952/2013 of the European Parliament and of the Council as regards detailed rules concerning certain provisions of the Union Customs Code ([2]), and in particular Article 56 thereof,

Whereas:

(1) Article 56(1) of Delegated Regulation (EU) 2015/2446 provides that beneficiary countries of the European Union's generalised scheme of preferences (GSP) may request extended cumulation with a country with which the Union has a free-trade agreement (FTA) in accordance with Article XXIV of the General Agreement on Tariffs and Trade (GATT) in force.

(2) Articles 56(1) and 56(2) of Delegated Regulation (EU) 2015/2446 set the conditions under which beneficiary countries of the GSP may be allowed to use, under extended cumulation, materials from a country with which the Union has a free-trade agreement in accordance with Article XXIV GATT in force. In particular, Article 56(1) provides that such cumulation may only be applied after the countries involved in extended cumulation have undertaken to comply or ensure compliance with the GSP rules of origin, the rules of origin laid down in the EU-Vietnam FTA and all other provisions concerning the implementation of the rules of origin, and to provide the administrative cooperation necessary to ensure the correct implementation of these rules both with regard to the Union and also between themselves.

(3) The Commission is to take a decision on such a request in accordance with its internal procedures.

(4) By letter dated 2 December 2022, Cambodia submitted a request for extended cumulation with Vietnam pursuant to Article 56(1) of Delegated Regulation (EU) 2015/2446. The request concerns certain materials or parts used in the production of bicycles originating in Vietnam to be used as originating materials in Cambodia in order to produce and export to the European Union under the GSP preferential rates bicycles under Harmonised System (HS) headings 87.11, 87.12 and 95.03.

(5) In support of its request, Cambodia recalled that, since Vietnam has been removed from the list of beneficiary countries of the GSP general arrangement as from 1 January 2023, the Vietnamese materials or parts used in the production of bicycles are considered non-originating, and as a result, the Cambodian bicycle producers are not able to benefit from the GSP duty-free access for Cambodian bicycles into the Union. At the same time, in order to

([1]) OJ L 269, 10.10.2013, p. 1.
([2]) OJ L 343, 29.12.2015, p. 1.

diversify its economy and to continue to provide employment and livelihood for thousands of people, the Cambodian bicycle industry needs to continue to have access to certain materials or parts used in the production of bicycles originating in Vietnam under extended cumulation as provided by Article 56(1) of Delegated Regulation (EU) 2015/2446.

(6) The request is accompanied by a Joint Undertaking between Cambodia and Vietnam on administrative cooperation in the framework of Article 56(1)(a) of Delegated Regulation (EU) 2015/2446, for ensuring on one hand compliance with the relevant rules of origin under the EU-Vietnam FTA for Vietnamese originating materials to be used in the manufacture of bicycles in Cambodia and the rules of origin under the GSP with regard to the products exported by Cambodia to the Union, and on the other hand to provide the administrative cooperation both with regard to the Union and between themselves.

(7) The Joint Undertaking mentioned above contains in annexes a list of the materials or parts used in the production of bicycles of Vietnamese origin concerned by the extended cumulation, under HS chapters 32, 38, 39, 40, 48, 49, 73, 74, 76, 83, 85 and 87, as well as the list of addresses and contact details of the Cambodian and Vietnamese government authorities responsible for issuing and verifying the proof of origin.

(8) The Commission examined the request from Cambodia, including the Joint Undertaking between Cambodia and Vietnam on administrative cooperation and its annexes, and concluded that the conditions related to the granting of the extended cumulation for the materials or parts used in the production of bicycles originating in Vietnam to be used as originating materials in Cambodia for manufacturing and exporting bicycles to the Union under GSP are fulfilled. Currently Cambodia is a GSP beneficiary country in the sense of Article 2(d) of Regulation (EU) No 978/2012 of the European Parliament and of the Council ([3]). Also, bicycles do not appear in the list of products in respect of which the tariff preferences granted to Cambodia under the general arrangement referred to in point 1(a) of Article 1(2) of the GSP regulation have been temporarily withdrawn by Commission Delegated Regulation (EU) 2020/550 ([4]).

(9) In light of the above, the possibility for Cambodia to apply extended cumulation to certain materials or parts used in the production of bicycles under HS chapters 32, 38, 39, 40, 48, 49, 73, 74, 76, 83, 85 and 87 of Vietnamese origin, for manufacturing bicycles under HS headings 87.11, 87.12 should be granted. Nevertheless, due to the fact that the requested products covered by heading 95.03 are already duty free, heading 95.03 shall not be included in the present Decision.

(10) The statements on origin made out in relation to products manufactured using cumulation should contain a specific mention to identify when cumulation is applied in line with Annex 22-07 of Commission Implementing Regulation (EU) 2015/2447 ([5]).

(11) The cumulation granted by this Decision should apply until the date set in Article 43(3) of Regulation (EU) No 978/2012.

(12) The European Commission will monitor the evolution of the imports resulting from the cumulation in accordance with this Decision,

([3]) Regulation (EU) No 978/2012 of the European Parliament and of the Council of 25 October 2012 applying a scheme of generalised tariff preferences and repealing Council Regulation (EC) No 732/2008 (OJ L 303, 31.10.2012, p. 1).

([4]) Commission Delegated Regulation (EU) 2020/550 of 12 February 2020 amending Annexes II and IV to Regulation (EU) No 978/2012 of the European Parliament and of the Council as regards the temporary withdrawal of the arrangements referred to in Article 1(2) of Regulation (EU) No 978/2012 in respect of certain products originating in the Kingdom of Cambodia (OJ L 127, 22.4.2020, p. 1).

([5]) Commission Implementing Regulation (EU) 2015/2447 of 24 November 2015 laying down detailed rules for implementing certain provisions of Regulation (EU) No 952/2013 of the European Parliament and of the Council laying down the Union Customs Code (OJ L 343, 29.12.2015, p. 558).

HAS ADOPTED THIS DECISION:

Article 1

Cambodia is hereby entitled to use, in accordance with Article 56(1) of Delegated Regulation (EU) 2015/2446, materials or parts used in the production of bicycles listed in Annex I, originating in Vietnam in accordance with Annex II to Protocol 1 of the EU-Vietnam FTA, under extended cumulation of origin, in order to produce and export to the Union under the GSP preferential customs duties the bicycles listed in Annex II, provided that Cambodia remains at the time of exportation of the product to the Union, a GSP beneficiary country in the sense of Article 2(d) of Regulation (EU) No 978/2012, and the preferential arrangements referred to in Article 1(2) of the same Regulation for bicycles listed in Annex II are not withdrawn temporarily in accordance with Article 19 of Regulation (EU) No 978/2012, and that the rules of origin laid down in Subsection 2 of Section 2 of Chapter 1 of Title II of Delegated Regulation (EU) 2015/2446 apply.

Article 2

Statements on origin made out by exporters in Cambodia with regard to products referred to in Article 1 shall include the mention 'extended cumulation with Vietnam' in the placeholder number (6d) for the origin criterion in Annex 22-07 of Implementing Regulation (EU) 2015/2447.

Article 3

The competent authorities of Cambodia shall forward to the Commission, by the end of the month following each calendar quarter, a quarterly report on the application of the cumulation referred to in Article 1. Such report shall provide the list of statements on origin made out during the last period for the products referred to in Article 1, the exporters concerned identified by their REX number, the quantities and HS heading of materials or parts used in the production of bicycles used originating in Vietnam, and the quantities of bicycles exported to the Union.

Article 4

The products produced under cumulation referred to in Article 1 shall benefit from the general arrangement referred to in point 1(a) of Article 1(2) of Regulation (EU) No 978/2012 when imported into the Union until the date set in Article 43(3) of that Regulation.

Article 5

This Decision shall enter into force on the day of its publication in the *Official Journal of the European Union*.

Done at Brussels, 19 September 2023.

For the Commission
The President
Ursula VON DER LEYEN

ANNEX I

Materials or parts used in the production of bicycles, originating in Vietnam in accordance with the rules established by Protocol 1 of the EU-Vietnam FTA, which are to be cumulated in the manufacture of bicycles in Cambodia under extended cumulation

HS2022 Code	Description of goods
3208 90	- Other
3209 90	- Other
3814 00	- Organic composite solvents and thinners, not elsewhere specified or included; prepared paint or varnish removers.
3923 50	- Stoppers, lids, caps and other closures
3923 90	- Other
4011 50	- Of a kind used on bicycles
4012 90	- Other
4013 20	- Of a kind used on bicycles
4016 99	- - Other
4819 10	- Cartons, boxes and cases, of corrugated paper or paperboard
4819 20	- Folding cartons, boxes and cases, of non-corrugated paper or paperboard
4821 10	- Printed
4823 90	- Other
4908 90	- Other
4911 99	- - Other
7303 00	Tubes, pipes and hollow profiles, of cast iron.
7304 90	- Other
7307 99	- - Other
7315 11	- - Roller chain
7318 22	- - Other washers
7318 24	- - Cotters and cotter-pins
7326 90	- Other
7415 33	- - Screws; bolts and nuts
7601 20	- Aluminium alloys
7606 92	- - Of aluminium alloys
7608 10	- Of aluminium, not alloyed
7608 20	- Of aluminium alloys
7616 10	- Nails, tacks, staples (other than those of heading 8305), screws, bolts, nuts, screw hooks, rivets, cotters, cotter-pins, washers and similar articles;
8302 50	- Hat-racks, hat-pegs, brackets and similar fixtures

8311 30	- Coated rods and cored wire, of base metal, for soldering, brazing or welding by flame
8507 60	- Lithium-ion
8528 72	- - Other, colour
8537 10	- For a voltage not exceeding 1 000 V
8714 10	- Of motorcycles (including mopeds)
8714 91	- - Frames and forks, and parts thereof
8714 92	- - Wheel rims and spokes
8714 93	- - Hubs, other than coaster braking hubs and hub brakes, and free-wheel sprocket-wheels
8714 94	- - Brakes, including coaster braking hubs and hub brakes, and parts thereof
8714 95	- - Saddles
8714 96	- - Pedals and crank-gear, and parts thereof
8714 99	- - Other

ANNEX II

Finished bicycles produced in Cambodia under extended cumulation with Vietnam

HS2022 Code	Description of goods
8711 60	- With electric motor for propulsion
8712 00	Bicycles and other cycles (including delivery tricycles), not motorised.