

DOCUMENTS

**concerning the accession of the Kingdom of Spain and the Portuguese
Republic to the European Communities**

COMMISSION OPINION

of 31 May 1985

on the applications for accession to the European Communities by the Kingdom of Spain and the Portuguese Republic

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Coal and Steel Community, and in particular Article 98 thereof,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 237 thereof,

Having regard to the Treaty establishing the European Atomic Energy Community, and in particular Article 205 thereof,

Whereas the Kingdom of Spain and the Portuguese Republic have applied to become members of those Communities;

Whereas, in its opinions of 19 May and 20 November 1978, the Commission has already had an opportunity of expressing its views on certain essential aspects of the problems arising in connection with these applications;

Whereas the terms for the admission of these States and the adjustments to the Treaties necessitated by their accession have been negotiated in conferences between the Communities and the applicant States; whereas the uniqueness of Community representation was ensured with due regard for the institutional dialogue provided for by the Treaties;

Whereas, on the completion of those negotiations, it is apparent that the provisions so agreed are fair and proper; whereas, this being so, the Community's enlargement, while preserving its internal cohesion and dynamism, will enable it to take a fuller part in the development of international relations;

Whereas, in joining the Communities, the applicant States accept, without reserve, the Treaties and their political objectives, all decisions taken since their entry into force and the options taken in respect of the development and strengthening of the Communities;

Whereas it is an essential feature of the legal order introduced by the Treaties establishing the Communities that certain of their provisions and certain acts adopted by the institutions of the Communities are directly applicable, that Community law takes precedence over any national provisions which might conflict with it, and that procedures exist for ensuring the uniform interpretation of Community law; whereas accession to the Communities implies recognition of the binding nature of these rules, observance of which is indispensable to guarantee the effectiveness and unity of Community law;

Whereas the principles of pluralist democracy and respect for human rights form part of the common heritage of the peoples of the States brought together in the European Communities and constitute therefore essential elements of membership of the said Communities;

Whereas enlargement of the Communities through the accession of the Kingdom of Spain and the Portuguese Republic will help to strengthen safeguards for peace and freedom in Europe,

HEREBY DELIVERS A FAVOURABLE OPINION:

on the accession to the European Communities of the Kingdom of Spain and the Portuguese Republic.

This opinion is addressed to the Council.

Done at Brussels, 31 May 1985.

For the Commission

DECISION OF THE COUNCIL OF THE EUROPEAN COMMUNITIES

11 June 1985

on the accession of the Kingdom of Spain and the Portuguese Republic to the European Coal and Steel Community

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Article 2

Having regard to the Treaty establishing the European Coal and Steel Community, and in particular Article 98 thereof,

Having regard to the opinion of the Commission,

With reference to the opinion of the European Parliament,

Whereas the Kingdom of Spain and the Portuguese Republic have applied to accede to the European Coal and Steel Community;

Whereas the conditions of accession to be determined by the Council have been negotiated with the above-mentioned States,

HAS DECIDED AS FOLLOWS:

Article 1

1. The Kingdom of Spain and the Portuguese Republic may become members of the European Coal and Steel Community by acceding, under the conditions laid down in this Decision, to the Treaty establishing that Community, as amended or supplemented.

2. The conditions of accession and the adjustments to the Treaty establishing the European Coal and Steel Community necessitated thereby are set out in the Act annexed to this Decision. The provisions of that Act concerning the European Coal and Steel Community shall form an integral part of this Decision.

3. The provisions concerning the rights and obligations of the Member States and the powers and jurisdiction of the institutions of the Communities as set out in the Treaty referred to in paragraph 1 shall apply in respect of this Decision.

1. The instruments of accession of the Kingdom of Spain and the Portuguese Republic to the European Coal and Steel Community will be deposited with the Government of the French Republic on 1 January 1986.

2. Accession will take effect on 1 January 1986, provided that all the instruments of accession have been deposited on that date and that all the instruments of ratification of the Treaty concerning accession to the European Economic Community and the European Atomic Energy Community have been deposited before that date.

If, however, one of the States referred to in paragraph 1 of this Article has not deposited its instruments of accession and ratification in due time, accession shall take effect for the other acceding State. In this case, the Council of the European Communities, acting unanimously, shall decide immediately upon such resulting adjustments, as have become indispensable, to Article 3 of this Decision and to Articles 12, 13, 17, 19, 20, 22, 383, 384, 385 and 397 of the Act of Accession; acting unanimously, it may also declare that those provisions of the said Act which refer expressly to the State which has not deposited its instruments of accession and ratification have lapsed, or it may adjust them.

3. Notwithstanding paragraph 2, the institutions of the Community may adopt, before accession, the measures referred to in Articles 27, 179, 366, 378 and 396 of the Act of Accession. These measures shall enter into force only subject to and on the date on which this Decision takes effect.

4. The Government of the French Republic will remit a certified copy of the instrument of accession of each acceding State to the Governments of the Member States and of the other acceding State.

Article 3

This Decision, drawn up in the Danish, Dutch, English, French, German, Greek, Irish, Italian, Portuguese and Spanish languages, the texts in each of these languages being equally authentic, shall be communicated to the Member States of the European Coal and Steel Community, to the Kingdom of Spain and to the Portuguese Republic.

Udfærdiget i Luxembourg, den 11. juni 1985.

Geschehen zu Luxemburg am 11. Juni 1985.

Έγινε στο Λουξεμβούργο, στις 11 Ιουνίου 1985.

Done at Luxembourg, 11 June 1985.

Hecho en Luxemburgo, el 11 de junio de 1985.

Fait à Luxembourg, le 11 juin 1985.

Arna dhéanamh i Lucsamburg, an 11 Meitheamh 1985.

Fatto a Lussemburgo, addì 11 giugno 1985.

Gedaan te Luxemburg, 11 juni 1985.

Feito no Luxemburgo, em 11 de Junho de 1985.

Pà Rådets vegne

Formand

Im Namen des Rates

Der Präsident

Για το Συμβούλιο

Ο Πρόεδρος

For the Council

The President

Por el Consejo

El Presidente

Pour le Conseil

Le président

Thar ceann na Comhairle

An tUachtarán

Per il Consiglio

Il Presidente

Voor de Raad

De Voorzitter

Pelo Conselho

O Presidente



DECISION OF THE COUNCIL OF THE EUROPEAN COMMUNITIES

of 11 June 1985

on the admission of the Kingdom of Spain and the Portuguese Republic to the European Economic Community and to the European Atomic Energy Community

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 237 thereof,

Having regard to the Treaty establishing the European Atomic Energy Community, and in particular Article 205 thereof,

Having regard to the opinion of the Commission,

With reference to the opinion of the European Parliament,

Whereas the Kingdom of Spain and the Portuguese Republic have applied to become members of the European Economic Community and of the European Atomic Energy Community,

HAS DECIDED:

to accept these applications for admission; the conditions of admission and the adjustments to the Treaties necessitated thereby are to be the subject of an agreement between the Member States, the Kingdom of Spain and the Portuguese Republic.

Udfærdiget i Luxembourg, den 11. juni 1985.

Geschehen zu Luxemburg am 11. Juni 1985.

Έγινε στο Λουξεμβούργο, στις 11 Ιουνίου 1985.

Done at Luxembourg, 11 June 1985.

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Thar ceann na Comhairle

An tUachtarán

Per il Consiglio

Il Presidente

Voor de Raad

De Voorzitter

Pelo Conselho

O Presidente



TREATY

between

**the Kingdom of Belgium,
the Kingdom of Denmark,
the Federal Republic of Germany,
the Hellenic Republic,
the French Republic,
Ireland,**

**the Italian Republic,
the Grand Duchy of Luxembourg,
the Kingdom of the Netherlands,**

**the United Kingdom of Great Britain and Northern Ireland
(Member States of the European Communities)**

and

**the Kingdom of Spain,
the Portuguese Republic,**

**concerning the accession of the Kingdom of Spain and the Portuguese Republic to the European
Economic Community and to the European Atomic Energy Community**

HIS MAJESTY THE KING OF THE BELGIANS,

HER MAJESTY THE QUEEN OF DENMARK,

THE PRESIDENT OF THE FEDERAL REPUBLIC OF GERMANY,

THE PRESIDENT OF THE HELLENIC REPUBLIC,

HIS MAJESTY THE KING OF SPAIN,

THE PRESIDENT OF THE FRENCH REPUBLIC,

THE PRESIDENT OF IRELAND,

THE PRESIDENT OF THE ITALIAN REPUBLIC,

HIS ROYAL HIGHNESS THE GRAND DUKE OF LUXEMBOURG,

HER MAJESTY THE QUEEN OF THE NETHERLANDS,

THE PRESIDENT OF THE PORTUGUESE REPUBLIC,

HER MAJESTY THE QUEEN OF THE UNITED KINGDOM OF GREAT BRITAIN AND
NORTHERN IRELAND,

UNITED in their desire to pursue the attainment of the objectives of the Treaty establishing the European Economic Community and the Treaty establishing the European Atomic Energy Community,

DETERMINED in the spirit of those Treaties to construct an ever closer union among the peoples of Europe on the foundations already laid,

CONSIDERING that Article 237 of the Treaty establishing the European Economic Community and Article 205 of the Treaty establishing the European Atomic Energy Community afford European States the opportunity of becoming members of these Communities,

CONSIDERING that the Kingdom of Spain and the Portuguese Republic have applied to become members of these Communities,

CONSIDERING that the Council of the European Communities, after having obtained the opinion of the Commission, has declared itself in favour of the admission of these States,

HAVE DECIDED to establish by common agreement the conditions of admission and the adjustments to be made to the Treaties establishing the European Economic Community and the European Atomic Energy Community, and to this end have designated as their plenipotentiaries:

HIS MAJESTY THE KING OF THE BELGIANS,

Mr Wilfried MARTENS,
Prime Minister;
Mr Leo TINDEMANS,
Minister for External Relations;
Mr Paul NOTERDAEME,
Ambassador,
Permanent Representative to the European Communities;

HER MAJESTY THE QUEEN OF DENMARK,

Mr Poul SCHLÜTER,
Prime Minister;
Mr Uffe ELLEMANN-JENSEN,
Minister for Foreign Affairs;
Mr Jakob Esper LARSEN,
Ambassador,
Permanent Representative to the European Communities;

THE PRESIDENT OF THE FEDERAL REPUBLIC OF GERMANY,

Mr Hans-Dietrich GENSCHER,
Federal Minister of Foreign Affairs;
Mr Gisbert POENSGEN,
Ambassador,
Permanent Representative to the European Communities;

THE PRESIDENT OF THE HELLENIC REPUBLIC,

Mr Yannis HARALAMBOPOULOS,
Minister for Foreign Affairs;
Mr Theodoros PAGALOS,
State Secretary, Ministry for Foreign Affairs (with responsibility for EEC affairs);
Mr Alexandre ZAFIRIOU,
Ambassador,
Permanent Representative to the European Communities;

HIS MAJESTY THE KING OF SPAIN,

Mr Felipe GONZALEZ MARQUEZ,
Prime Minister;
Mr Fernando MORÁN LÓPEZ,
Minister for Foreign Affairs;
Mr Manuel MARIN GONZÁLEZ,
State Secretary for Relations with the European Communities;
Mr Gabriel FERRÁN de ALFARO,
Ambassador,
Head of the Mission to the European Communities;

THE PRESIDENT OF THE FRENCH REPUBLIC:

Mr Laurent FABIUS,
Prime Minister;
Mr Roland DUMAS,
Minister for External Relations;
Mrs Catherine LALUMIÈRE,
Delegated Minister entrusted with European Affairs;
Mr Luc de LA BARRE de NANTEUIL,
Ambassador,
Permanent Representative to the European Communities;

THE PRESIDENT OF IRELAND,

Dr Garret FITZGERALD, TD,
Prime Minister;
Mr Peter BARRY, TD,
Minister for Foreign Affairs;
Mr Andrew O'ROURKE,
Ambassador,
Permanent Representative to the European Communities;

THE PRESIDENT OF THE ITALIAN REPUBLIC,

Mr Bettino CRAXI,
President of the Council of Ministers;

Mr Giulio ANDREOTTI,
Minister for Foreign Affairs;
Mr Pietro CALAMIA,
Ambassador
Permanent Representative to the European Communities;

HIS ROYAL HIGHNESS THE GRAND DUKE OF LUXEMBOURG,

Mr Jacques F. POOS,
Vice-President of the Government,
Minister for Foreign Affairs;
Mr Joseph WEYLAND,
Ambassador,
Permanent Representative to the European Communities;

HER MAJESTY THE QUEEN OF THE NETHERLANDS,

Drs Ruud F.M. LUBBERS,
Prime Minister,
Minister for General Affairs;
Mr Hans van den BROEK,
Minister for Foreign Affairs;
Mr H.J.Ch. RUTTEN,
Ambassador,
Permanent Representative to the European Communities;

THE PRESIDENT OF THE PORTUGUESE REPUBLIC,

Dr Mário SOARES,
Prime Minister;
Dr Rui MACHETE,
Deputy Prime Minister;
Dr Jaime GAMA,
Minister for Foreign Affairs;
Dr Ernâni Rodrigues LOPES,
Minister for Finance and Planning;

HER MAJESTY THE QUEEN OF THE UNITED KINGDOM OF GREAT BRITAIN AND
NORTHERN IRELAND,

Sir Geoffrey HOWE, QC, MP,
Secretary of State for Foreign and Commonwealth Affairs;
Sir Michael BUTLER,
Ambassador,
Permanent Representative to the European Communities;

WHO, having exchanged their full powers found in good and due form,

Article 1

1. The Kingdom of Spain and the Portuguese Republic hereby become members of the European Economic Community and of the European Atomic Energy Community and Parties to the Treaties establishing these Communities as amended or supplemented.

2. The conditions of admission and the adjustments to the Treaties establishing the European Economic Community and the European Atomic Energy Community necessitated thereby are set out in the Act annexed to this Treaty. The provisions of that Act concerning the European Economic Community and the European Atomic Energy Community shall form an integral part of this Treaty.

3. The provisions concerning the rights and obligations of the Member States and the powers and jurisdiction of the institutions of the Communities as set out in the Treaties referred to in paragraph 1 shall apply in respect of this Treaty.

Article 2

1. This Treaty will be ratified by the High Contracting Parties in accordance with their respective constitutional requirements. The instruments of ratification will be deposited with the Government of the Italian Republic by 31 December 1985 at the latest.

2. This Treaty will enter into force on 1 January 1986, provided that all the instruments of ratification have been deposited before that date and that all the instru-

ments of accession to the European Coal and Steel Community are deposited on that date.

If, however, one of the States referred to in Article 1 (1) has not deposited its instruments of ratification and accession in due time, the Treaty shall enter into force for the other State which has deposited its instruments. In this case, the Council of the European Communities, acting unanimously, shall decide immediately upon such resulting adjustments as have become indispensable, to Article 3 of this Treaty and to Articles 14, 17, 19, 20, 23, 383, 384, 385, 386, 388, 397, and 402 of the Act of Accession, to the provisions of Annex I to that Act concerning the composition and functioning of various committees, and to the relevant Articles of Protocol 1 on the Statute of the European Investment Bank annexed thereto; acting unanimously, it may also declare that those provisions of the aforementioned Act which refer expressly to the State which has not deposited its instruments of ratification and accession have lapsed, or it may adjust them.

3. Notwithstanding paragraph 2, the institutions of the Community may adopt before accession the measures referred to in Articles 27, 91, 161, 163, 164, 165, 171, 179, 258, 349, 351, 352, 358, 366, 378 and 396 of the Act of Accession and Articles 2, 3 and 4 of Protocol 2. These measures shall enter into force only subject to and on the date of the entry into force of this Treaty.

Article 3

This Treaty, drawn up in a single original in the Danish, Dutch, English, French, German, Greek, Irish, Italian, Portuguese and Spanish languages, the texts in each of these languages being equally authentic, will be deposited in the archives of the Government of the Italian Republic, which will remit a certified copy to each of the Governments of the other Signatory States.

Til bekræftelse heraf har undertegnede befuldmægtigede underskrevet denne Slutakt.

Zu Urkund dessen haben die unterzeichneten Bevollmächtigten ihre Unterschriften unter diese Schlußakte gesetzt.

Σε πίστωση των ανωτέρω, οι υπογεγραμμένοι πληρεξούσιοι υπέγραψαν την παρούσα συνθήκη.

In witness whereof the undersigned Plenipotentiaries have signed this Final Act.

En fe de lo cual, los plenipotenciarios abajo firmantes suscriben la presente Acta final.

En foi de quoi, les plénipotentiaires soussignés ont apposé leurs signatures au bas du présent acte final.

Dá fhianú sin, chuir na Lánchumhachtaigh thíosínithe a lámh leis an Ionstraim Chríochraitheach seo.

En fede di che, i plenipotenziari sottoscritti hanno apposto le loro firme in calce al presente atto finale.

Ten blijke waarvan de ondergetekende gevolmachtigden hun handtekening onder deze Slotakte hebben gesteld.

Em fé do que os plenipotenciários abaixo-assinados apuseram as suas assinaturas no final da presente Acta final.

Udfærdiget i Madrid, den tolvte juni nitten hundrede og femogfirs.

Geschehen zu Madrid am zwölften Juni neunzehnhundertfünfundachtzig.

Έγινε στη Μαδρίτη, στις δώδεκα Ιουνίου χίλια εννιακόσια ογδόντα πέντε.

Done at Madrid on the twelfth day of June in the year one thousand nine hundred and eighty-five.

Hecho en Madrid, el doce de junio de mil novecientos ochenta y cinco.

Fait à Madrid, le douze juin mil neuf cent quatre-vingt-cinq.

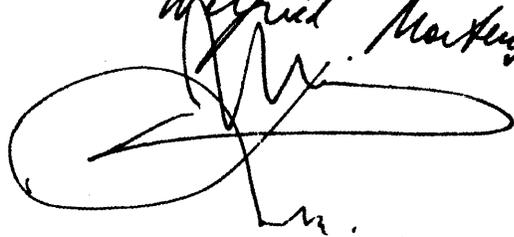
Arna dhéanamh i Maidrid, an dóú lá déag de Mheitheamh, míle naoi gcéad ochtó a cúig.

Fatto a Madrid, addì dodici giugno millenovecentottantacinque.

Gedaan te Madrid, de twaalfde juni negentienhonderd vijfentachtig.

Feito em Madrid, aos doze de Junho de mil novecentos e oitenta e cinco.

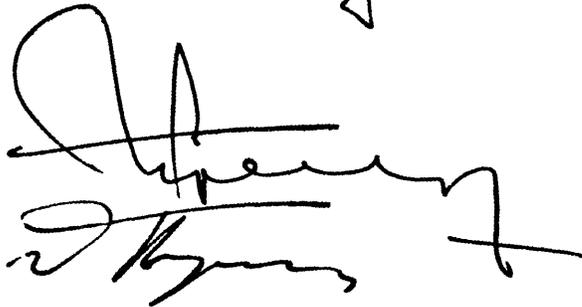
Wilfried Martens



Paul Scuttel

Willymans
Johny Lauer

Hon-Mr Jans de
Peeters



9 Klayy

Férué Guérol

Juan de Urbin

Juan Jimenez

Patric J. Sain

Laurent Fabius

Roland Dumas

C. Le Guen

Luc de Beaumont

Zsuzsanna Mac Gossitz

Leodan de Barra.

Antoine O. Guise.

B. C. C. C.

Leodan de Barra.

Ugo Colonna

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per

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per

John Coates
Mr. Edmund Selous
John Coates
John Coates

George Henry Howe
Richard Butler.

Til bekræftelse heraf har undertegnede befuldmægtigede underskrevet denne Slutakt.

Zu Urkund dessen haben die unterzeichneten Bevollmächtigten ihre Unterschriften unter diese Schlußakte gesetzt.

Σε πίστωση των ανωτέρω, οι υπογεγραμμένοι πληρεξούσιοι υπέγραψαν την παρούσα συνθήκη.

In witness whereof the undersigned Plenipotentiaries have signed this Final Act.

En fe de lo cual, los plenipotenciarios abajo firmantes suscriben la presente Acta final.

En foi de quoi, les plénipotentiaires soussignés ont apposé leurs signatures au bas du présent acte final.

Dá fhianú sin, chuir na Lánchumhachtaigh thíosínithe a lámh leis an Ionstraim Chríochraitheach seo.

En fede di che, i plenipotenziari sottoscritti hanno apposto le loro firme in calce al presente atto finale.

Ten blijke waarvan de ondergetekende gevolmachtigden hun handtekening onder deze Slotakte hebben gesteld.

Em fé do que os plenipotenciários abaixo-assinados apuseram as suas assinaturas no final da presente Acta final.

Udfærdiget i Lissabon, den tolvte juni nitten hundrede og femogfirs.

Geschehen zu Lissabon am zwölften Juni neunzehnhundertfünfundachtzig.

Έγινε στη Λισσαβόνα, στις δώδεκα Ιουνίου χίλια εννιακόσια ογδόντα πέντε.

Done at Lisbon on the twelfth day of June in the year one thousand nine hundred and eighty-five.

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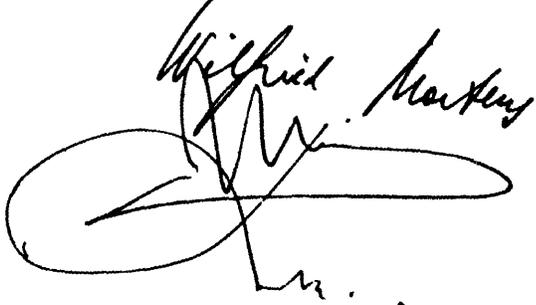
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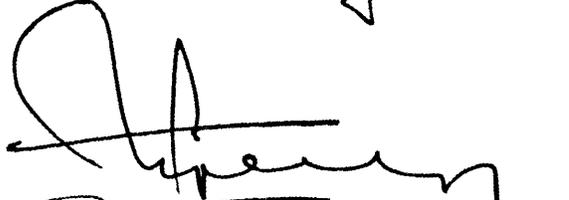
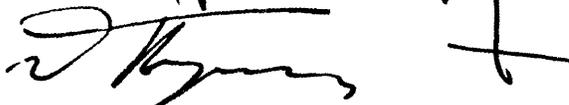
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Wilfried Martens

Lm.

Paul Scuttel.
Munich
John & Anne

Ham-Mi from the
Peebles.

9 Kelly

Francis Smith

Juan de Urbin

Juan Jimenez

Patric Jimenez

Laurent Fabius

Roland Dumas

C. Lehoucq

Luc de Bonnaville

Zsolt Mészáros

Leodan de Barra.

António Luís.

B. C. C. C.

Francis Smith

Ugo Celant

Sum
me

Wishle

Richard Gares

Mr. Council secret

Jim Gans

Alan Rodger

Gregory Howe

Michael Butler

ACT
concerning the conditions of accession of the Kingdom of Spain and the Portuguese Republic
and the adjustments to the Treaties

PART ONE

PRINCIPLES

Article 1

For the purposes of this Act:

- the expression 'original Treaties' means the Treaty establishing the European Coal and Steel Community, the Treaty establishing the European Economic Community and the Treaty establishing the European Atomic Energy Community, as supplemented or amended by treaties or other acts which entered into force before this accession; the expressions 'ECSC Treaty', 'EEC Treaty' and 'Euratom Treaty' mean the relevant original Treaties thus supplemented or amended,
- the expression 'present Member States' means the Kingdom of Belgium, the Kingdom of Denmark, the Federal Republic of Germany, the Hellenic Republic, the French Republic, Ireland, the Italian Republic, the Grand Duchy of Luxembourg, the Kingdom of the Netherlands and the United Kingdom of Great Britain and Northern Ireland,
- the expression 'the Community as at present constituted' means the Community made up of the present Member States,
- the expression 'the Community as enlarged' means the Community as constituted after the 1972 accession or after the 1979 accession, as the case may be,
- the expression 'new Member States' means the Kingdom of Spain and the Portuguese Republic.

Article 2

From the date of accession, the provisions of the original Treaties and the acts adopted by the institutions of the Communities before accession shall be binding on the new Member States and shall apply in those States under the conditions laid down in those Treaties and in this Act.

Article 3

1. The new Member States accede by this Act to the decisions and agreements adopted by the representatives of the Governments of the Member States meeting in Council. They undertake to accede from the date

of accession to all other agreements concluded by the present Member States relating to the functioning of the Communities or connected with the activities thereof.

2. The new Member States undertake to accede to the conventions provided for in Article 220 of the EEC Treaty and to those that are inseparable from the attainment of the objectives of that Treaty and thus linked to the Community legal order, and also to the protocols on the interpretation of those conventions by the Court of Justice, signed by the Member States of the Community as originally constituted or as enlarged and to this end they undertake to enter into negotiations with the present Member States in order to make the necessary adjustments thereto.

3. The new Member States are in the same situation as the present Member States in respect of declarations or resolutions of, or other positions taken up by, the Council and in respect of those concerning the European Communities adopted by common agreement of the Member States; they will accordingly observe the principles and guidelines deriving from those declarations, resolutions or other positions and will take such measures as may be necessary to ensure their implementation.

Article 4

1. The agreements or conventions entered into by any of the Communities with one or more third States, with an international organization or with a national of a third State, shall, under the conditions laid down in the original Treaties and in this Act, be binding on the new Member States.

2. The new Member States undertake to accede, under the conditions laid down in this Act, to the agreements or conventions concluded by the Member States of the Community as originally constituted or as enlarged and any of the Communities, acting jointly, and to the agreements concluded by those States which are related to those agreements or conventions. The Community and the present Member States shall assist the new Member States in this respect.

3. The new Member States accede by this Act and under the conditions laid down therein to the internal agreements concluded by the Member States of the

Community as originally constituted or as enlarged for the purpose of implementing the agreements or conventions referred to in paragraph 2.

4. The new Member States shall take appropriate measures, where necessary, to adjust their position in relation to international organizations and to those international agreements to which one of the Communities or to which other Member States are also parties, to the rights and obligations arising from their accession to the Communities.

Article 5

Article 234 of the EEC Treaty and Articles 105 and 106 of the Euratom Treaty shall apply for the new Member States to agreements or conventions concluded before their accession.

Article 6

The provisions of this Act may not, unless otherwise provided herein, be suspended, amended or repealed other than by means of the procedure laid down in the original Treaties enabling those Treaties to be revised.

Article 7

Acts adopted by the institutions of the Communities to which the transitional provisions laid down in this Act relate shall retain their status in law; in particular, the procedures for amending those acts shall continue to apply.

Article 8

Provisions of this Act the purpose or effect of which is to repeal or amend acts adopted by the institutions of the Communities, otherwise than as a transitional measure, shall have the same status in law as the provisions which they repeal or amend and shall be subject to the same rules as those provisions.

Article 9

The application of the original Treaties and acts adopted by the institution shall, as a transitional measure, be subject to the derogations provided for in this Act.

PART TWO

ADJUSTMENTS TO THE TREATIES

TITLE I

PROVISIONS GOVERNING THE INSTITUTIONS

CHAPTER I

The Assembly

Article 10

The following is substituted for Article 2 of the Act concerning the election of the representatives of the Assembly by direct universal suffrage, which is annexed to Decision 76/787/ECSC, EEC, Euratom:

Article 2

The number of representatives elected in each Member State is as follows:

Belgium	24
Denmark	16
Germany	81
Greece	24
Spain	60

France	81
Ireland	15
Italy	81
Luxembourg	6
Netherlands	25
Portugal	24
United Kingdom	81

CHAPTER 2

The Council

Article 11

The following is substituted for the second paragraph of Article 2 of the Treaty establishing a single Council and a single Commission of the European Communities:

The office of President shall be held in turn by each Member State in the Council for a term of six months, in the following order of Member States:

— for a first cycle of six years: Belgium, Denmark, Germany, Greece, Spain, France, Ireland, Italy, Luxembourg, Netherlands, Portugal, United Kingdom,

- for the following cycle of six years: Denmark, Belgium, Greece, Germany, France, Spain, Italy, Ireland, Netherlands, Luxembourg, United Kingdom, Portugal.'

Article 12

The following is substituted for Article 28 of the ECSC Treaty:

'Article 28

When the Council is consulted by the High Authority, it shall consider the matter without necessarily taking a vote. The minutes of its proceedings shall be forwarded to the High Authority.

Wherever this Treaty requires that the assent of the Council be given, that assent shall be considered to have been given if the proposal submitted by the High Authority receives the approval:

- of an absolute majority of the representatives of the Member States, including the votes of the representatives of two Member States which each produce at least one-ninth of the total value of the coal and steel output of the Community, or
- in the event of an equal division of votes and if the High Authority maintains its proposal after a second discussion, of the representatives of three Member States which each produce at least one-ninth of the total value of the coal and steel output of the Community.

Wherever this Treaty requires a unanimous decision or unanimous assent, such decision or assent shall have been duly given if all the members of the Council vote in favour. However, for the purposes of applying Articles 21, 32, 32a, 78e and 78h of this Treaty, and Article 16, the third paragraph of Article 20, the fifth paragraph of Article 28 and Article 44 of the Protocol on the Statute of the Court of Justice, abstention by members present in person or represented shall not prevent the adoption by the Council of acts which require unanimity.

Decisions of the Council, other than those for which a qualified majority or unanimity is required, shall be taken by a vote of the majority of its members; this majority shall be considered to be attained if it represents an absolute majority of the representatives of the Member States, including the votes of the representatives of two Member States which each produce at least one-ninth of the total value of the coal and steel output of the Community. However, for the purpose of applying

Articles 78, 78b and 78e of this Treaty which require a qualified majority, the votes of the members of the Council are weighted as follows:

Belgium	5
Denmark	3
Germany	10
Greece	5
Spain	8
France	10
Ireland	3
Italy	10
Luxembourg	2
Netherlands	5
Portugal	5
United Kingdom	10

For their adoption, acts shall require at least 54 votes in favour, cast by not less than eight members.

Where a vote is taken, any member of the Council may act on behalf of not more than one other member.

The Council shall deal with the Member States through its President.

The acts of the Council shall be published in such a manner as it may decide.'

Article 13

The following is substituted for the fourth paragraph of Article 95 of the ECSC Treaty:

'These amendments shall be proposed jointly by the High Authority and the Council, acting by a ten-twelfths majority of its members, and shall be submitted to the Court for its opinion. In considering them, the Court shall have full power to assess all points of fact and of law. If, as a result of such consideration, it finds the proposals compatible with the provisions of the preceding paragraph, they shall be forwarded to the Assembly and shall enter into force if approved by a majority of three-quarters of the votes cast and two-thirds of the members of the Assembly.'

Article 14

The following is substituted for Article 148 (2) of the EEC Treaty and Article 118 (2) of the Euratom Treaty:

'2. Where the Council is required to act by a qualified majority, the votes of its members shall be weighted as follows:

Belgium	5
Denmark	3
Germany	10
Greece	5
Spain	8
France	10
Ireland	3
Italy	10
Luxembourg	2
Netherlands	5
Portugal	5
United Kingdom	10

For their adoption, acts of the Council shall require at least:

- 54 votes in favour where this Treaty requires them to be adopted on a proposal from the Commission,
- 54 votes in favour, cast by at least eight members, in other cases.'

CHAPTER 3

The Commission

Article 15

The following is substituted for the first subparagraph of Article 10(1) of the Treaty establishing a single Council and a single Commission of the European Communities:

'1. The Commission shall consist of 17 members, who shall be chosen on the grounds of their general competence and whose independence is beyond doubt.'

Article 16

Article 14 of the Treaty establishing a single Council and a single Commission of the European Communities is amended as follows:

1. The first subparagraph is replaced by the following:

'The President and the six Vice-Presidents of the Commission shall be appointed from among its members for a term of two years in accordance with the same procedure as that laid down for the appointment of members of the Commission. Their appointments may be renewed.'

2. The following subparagraph is added:

'The Council, acting unanimously, may amend the provisions concerning Vice-Presidents.'

CHAPTER 4

The Court of Justice

Article 17

The following is substituted for the first paragraph of Article 32 of the ECSC Treaty, the first paragraph of Article 165 of the EEC Treaty and the first paragraph of Article 137 of the Euratom Treaty:

'The Court of Justice shall consist of 13 Judges.'

Article 18

The following is substituted for the first paragraph of Article 32a of the ECSC Treaty, the first paragraph of Article 166 of the EEC Treaty and the first paragraph of Article 138 of the Euratom Treaty:

'The Court of Justice shall be assisted by six Advocates-General.'

Article 19

The following is substituted for the second and third paragraphs of Article 32b of the ECSC Treaty, the second and third paragraphs of Article 167 of the EEC Treaty and the second and third paragraphs of Article 139 of the Euratom Treaty:

'Every three years there shall be a partial replacement of the Judges. Seven and six Judges shall be replaced alternately.'

Every three years there shall be a partial replacement of the Advocates-General. Three Advocates-General shall be replaced on each occasion.'

CHAPTER 5

The Court of Auditors

Article 20

The following is substituted for Article 78e(2) of the ECSC Treaty, Article 206(2) of the EEC Treaty and Article 180(2) of the Euratom Treaty:

'2. The Court Auditors shall consist of 12 members.'

CHAPTER 6

The Economic and Social Committee

Article 21

The following is substituted for the first paragraph of Article 194 of the EEC Treaty and the first paragraph of Article 166 of the Euratom Treaty:

'The number of members of the Committee shall be as follows:

Belgium	12
Denmark	9
Germany	24
Greece	12
Spain	21
France	24
Ireland	9
Italy	24
Luxembourg	6
Netherlands	12
Portugal	12
United Kingdom	24'

CHAPTER 7

The ECSC Consultative Committee

Article 22

The following is substituted for the first paragraph of Article 18 of the ECSC Treaty:

'A Consultative Committee shall be attached to the High Authority. It shall consist of not less than 72 and not more than 96 members and shall comprise equal numbers of producers, of workers and of consumers and dealers.'

CHAPTER 8

The Scientific and Technical Committee

Article 23

The following is substituted for the first subparagraph of Article 134 (2) of the Euratom Treaty:

'2. The Committee shall consist of 33 members, appointed by the Council after consultation with the Commission.'

TITLE II

OTHER ADJUSTMENTS

Article 24

The following is substituted for Article 227 (1) of the EEC Treaty:

'1. This Treaty shall apply to the Kingdom of Belgium, the Kingdom of Denmark, the Federal

Republic of Germany, the Hellenic Republic, the Kingdom of Spain, the French Republic, Ireland, the Italian Republic, the Grand Duchy of Luxembourg, the Kingdom of the Netherlands, the Portuguese Republic and the United Kingdom of Great Britain and Northern Ireland.'

Article 25

1. The Treaties and the acts of the institutions of the European Communities shall apply to the Canary Islands and to Ceuta and Melilla, subject to the derogations referred to in paragraphs 2 and 3 and to the other provisions of this Act.

2. The conditions under which the provisions of the EEC and ECSC Treaties concerning the free movement of goods, and the acts of the institutions of the Community concerning customs legislation and commercial policy, shall apply to the Canary Islands and to Ceuta and Melilla are set out in Protocol 2.

3. Without prejudice to the specific provisions of Article 155 the acts of the institutions of the European Communities concerning the common agricultural policy and the common fisheries policy shall not apply to the Canary Islands and to Ceuta and Melilla.

The Council acting by a qualified majority on a proposal from the Commission shall determine the provisions of a socio-structural nature, which, in the sphere of agriculture, shall apply to the Canary Islands, whilst ensuring that these provisions are compatible with the general objectives of the common agricultural policy.

4. At the request of the Kingdom of Spain, the Council, acting unanimously on a proposal from the Commission and after consulting the Assembly, may:

- decide to include the Canary Islands and Ceuta and Melilla in the customs territory of the Community,
- define the appropriate measures aimed at extending to the Canary Islands and to Ceuta and Melilla the provisions of Community law in force.

On a proposal from the Commission acting on its own initiative or at the request of a Member State, the Council, acting unanimously and after consulting the Assembly, may decide to make such adjustments to the arrangements applicable to the Canary Islands and to Ceuta and Melilla as may prove necessary.

PART THREE

ADAPTATIONS TO ACTS ADOPTED BY THE INSTITUTIONS

Article 26

The acts listed in Annex I to this Act shall be adapted as specified in that Annex.

Article 27

The adaptations to the acts listed in Annex II to this Act made necessary by accession shall be drawn up in conformity with the guidelines set out in that Annex and in accordance with the procedure and under the conditions laid down in Article 396.

PART FOUR

TRANSITIONAL MEASURES

TITLE I

PROVISIONS GOVERNING THE INSTITUTIONS

Article 28

1. During the first two years following accession, each of the new Member States shall hold an election by direct universal suffrage of 60 representatives, to the Assembly, of the people of Spain and of 24 representatives, to the Assembly, of the people of Portugal, respectively, in accordance with the provisions of the Act of 20 September 1976 concerning the election of representatives of the Assembly by direct universal suffrage.

The term of office of those representatives shall end at the same time as that of the representatives elected in the present Member States for the current five-year term.

2. From accession and for the period running until each of the elections referred to in paragraph 1, the representatives of the Assembly of the people of Spain and Portugal shall be appointed by the Parliaments of the new Member States within themselves in accordance with the procedure laid down by each of those States.

Article 29

For the purposes of applying the second paragraph of Article 2 of the Treaty establishing a single Council and a single Commission of the European Communities, the new order for Member States fixed in Article 11 of this Act shall apply on the expiry of the periods of rotation remaining to run in accordance with the order of the Member States fixed in Article 2 above in its version in force before the accession.

TITLE II

TRANSITIONAL MEASURES CONCERNING SPAIN

CHAPTER I

Free movement of goods

Section I

Tariff provisions

Article 30

1. The basic duty to which the successive reductions provided for in Articles 31, 75 (1) and 173 (1) and (2) are to be applied shall, for each product, be the duty actually applied on 1 January 1985 to products originating in the Community as at present constituted and Spain within the context of their trade.

2. The basic duty used for the moves towards alignment on the Common Customs Tariff and the ECSC unified tariff provided for in Articles 37, 75 (2) and 173 (4) shall, for each product, be the duty actually applied by the Kingdom of Spain on 1 January 1985.

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

4. The Community as at present constituted and the Kingdom of Spain shall inform each other of their respective basic duties.

5. Notwithstanding paragraph 1, for the products appearing hereafter, the basic duties to which the Kingdom of Spain shall apply the successive reductions laid down in Article 31 shall be those indicated opposite each product.

CCT heading No	Description	Basic duty
24.02	Manufactured tobacco; tobacco extracts and essences:	
	A. Cigarettes	50 %
	B. Cigars	55 %
	C. Smoking tobacco	46,8 %
	D. Chewing tobacco	26 %
	E. Other, including agglomerated tobacco in the form of sheets or strip	10,4 %
27.09	Petroleum oils and oils obtained from bituminous minerals, crude	Free

Article 31

1. Customs duties on imports between the Community as at present constituted and the Kingdom of Spain 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. Notwithstanding paragraph 1, duty-free entry shall apply from 1 March 1986 to:

- (a) imports which benefit from the provisions relating to tax exemptions applicable to persons travelling from one Member State to another;

(b) imports of goods sent in small consignments, not of a commercial nature, which benefit from the provisions relating to tax exemptions applicable between Member States.

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

Article 32

In no case shall customs duties higher than those applied to third countries enjoying most-favoured-nation treatment be applied within the Community.

In the event of the Common Customs Tariff duties being amended or suspended, or the Kingdom of Spain applying Article 40, the Council, acting by a qualified majority on a proposal from the Commission, may take the necessary measures for the maintenance of Community preference.

In the event of ECSC unified tariff duties being amended or suspended, or the Kingdom of Spain applying Article 40, the Commission may take the necessary measures for the maintenance of Community preference.

Article 33

The Kingdom of Spain may suspend in whole or in part the levying of duties on products imported from the Community as at present constituted. It shall inform the other Member States and the Commission thereof.

The Council, acting by a qualified majority on a proposal from the Commission, may suspend in whole or in part the levying of duties on products imported from Spain.

Article 34

Tariff quotas subject to reduced duty, resulting from Article 30, for the import into Spain of certain new passenger motor vehicles falling within subheading ex 87.02 A I b) of the Common Customs Tariff, shall be abolished upon accession in respect of vehicles imported from the Community as at present constituted.

From 1 January 1986, the Kingdom of Spain shall open annual tariff quotas subject to reduced duty for the import of motor vehicles for the transport of persons, with either a spark ignition or a compression ignition engine, other than motor coaches and buses, falling within subheading ex 87.02 A I b) of the Common Customs Tariff, originating in the Community as at present constituted. The admission of such motor vehicles to those tariff quotas shall be governed by the provisions of Protocol 6.

Article 35

Any charge having equivalent effect to a customs duty on imports in trade between the Community as at present constituted and Spain shall be abolished on 1 March 1986.

No customs duty of a fiscal nature shall be applied from 1 March 1986.

Article 36

Customs duties on exports and charges having equivalent effect in trade between the Community as at present constituted and Spain shall be abolished on 1 March 1986.

Article 37

1. For the purpose of the progressive introduction of the Common Customs Tariff and the ECSC unified tariff, the Kingdom of Spain shall amend its tariff applicable to third countries as follows:

From 1 March 1986:

- (a) in the case of tariff headings in respect of which the basic duties do not differ by more than 15 % in either direction from the duties in the Common Customs Tariff or the ECSC unified tariff, these latter duties shall be applied;
- (b) in other cases, the Kingdom of Spain shall apply a duty reducing the difference between the basic duty and the duty in the Common Customs Tariff or the ECSC unified tariff in accordance with the following timetable:
 - on 1 March 1986, a reduction of 10 %,
 - on 1 January 1987, a reduction of 12,5 %,
 - on 1 January 1988, a reduction of 15 %,
 - on 1 January 1989, a reduction of 15 %,
 - on 1 January 1990, a reduction of 12,5 %,
 - on 1 January 1991, a reduction of 12,5 %,
 - on 1 January 1992, a reduction of 12,5 %.

The Kingdom of Spain shall apply in full the Common Customs Tariff and the ECSC unified tariff from 1 January 1993.

2. Notwithstanding paragraph 1, for the products listed in the Annex to the Agreement on trade in civil aircraft concluded in the context of the 1973 to 1979 trade negotiations of the General Agreement on Tariffs and Trade, the Kingdom of Spain shall apply the Common Customs Tariff from 1 March 1986 in its entirety.

Article 38

The autonomous duties entered in the Community Common Customs Tariff shall be the autonomous duties of the Community as at present constituted. The conventional duties of the EEC Common Customs Tariff and of the ECSC unified tariff shall be the conventional duties of the EEC and of the ECSC, as at present constituted, with the exception of the adjustments to be made to take into account the fact that the duties in force in the Spanish and Portuguese tariffs are, on the whole, higher than the duties in force in the tariffs of the EEC and ECSC as at present constituted.

That adjustment which will be the subject of negotiation within the General Agreement on Tariffs and Trade, shall remain within the limits of the possibilities opened by Article XXIV of that Agreement.

Article 39

1. Where duties in the customs tariff of the Kingdom of Spain differ in nature from the corresponding duties in the Common Customs Tariff or the ECSC unified tariff, the progressive alignment of the former on the latter shall be effected by adding the components of the Spanish basic duty to those of the duty in the Common Customs Tariff or the ECSC unified tariff, the Spanish basic duty being reduced to zero progressively, in accordance with the timetable set out in Articles 37 and 75 (2), and the duty in the Common Customs Tariff or ECSC unified tariff increasing from zero to reach the full amount progressively in accordance with the same timetable.

2. From 1 March 1986, if certain duties in the Common Customs Tariff or the ECSC unified tariff are altered or suspended, the Kingdom of Spain shall simultaneously amend or suspend its tariff in the proportion resulting from the implementation of Article 37.

3. The Kingdom of Spain shall apply the Common Customs Tariff and ECSC unified tariff nomenclatures from 1 March 1986.

The Kingdom of Spain may include within these nomenclatures national subdivisions existing at the time of accession which are indispensable in order that the progressive alignment of its customs duties on those in the Common Customs Tariff and the ECSC unified tariff be carried out under the conditions laid down in this Act.

Where amendments are made to the nomenclature of the Common Customs Tariff or the ECSC unified tariff

in respect of products referred to in this Act, the Council may, acting by a qualified majority on a proposal from the Commission, adapt the nomenclature of those products as indicated in this Act.

4. With a view to implementing paragraph 3 and to facilitating the progressive introduction of the Common Customs Tariff and the ECSC unified tariff by the Kingdom of Spain and the progressive abolition of customs duties between the Community as at present constituted and the Kingdom of Spain, the Commission shall determine, if necessary, the implementing provisions whereby the Kingdom of Spain alters its customs duties; those implementing provisions may not however entail any amendment to Articles 31 and 37.

5. The rate of duty calculated in accordance with Article 37 shall be applied by rounding up or down to the first decimal place.

Rounding down shall be effected by deleting the second decimal where Spanish duties are being aligned on Common Customs Tariff or ECSC unified tariff duties which are less than the Spanish basic duties. In other cases rounding up shall be effected by applying the higher decimal.

Article 40

In order to bring its tariff into line with the Common Customs Tariff and the ECSC unified tariff, the Kingdom of Spain shall remain free to alter its customs duties more rapidly than is provided for in Article 36. It shall inform the other Member States and the Commission thereof.

Article 41

During the period of elimination of customs duties between the Community as at present constituted and the Kingdom of Spain and the period of alignment of the Spanish Customs Tariff duties on those of the Common Customs Tariff and of the ECSC unified tariff, the Kingdom of Spain shall enjoy the option of opening to third countries tariff quotas actually applied on 1 January 1985.

If such quotas are opened, Article 37 shall apply during such time as these quotas remain open, to determine the duties applicable to products imported from third countries. The quantities or value subject to these duties shall be limited to the amounts actually imported under the same quotas opened on 1 January 1985. Products imported from the Community as at present constituted shall be subject to reduced duties in accordance with the provisions of Article 31, without limit as to quantity or value, whilst such quotas remain open.

If such quotas are not opened, the Kingdom of Spain shall apply to products imported from the Community as at present constituted the duties applied in the case

of such quotas being opened. The quantities or value subject to those duties shall be limited to the amounts actually imported from the Community as at present constituted under the same quotas opened on 1 January 1985.

Section II

Elimination of quantitative restrictions and measures having equivalent effect

Article 42

Quantitative restrictions on imports and exports and any measures having equivalent effect shall be abolished on 1 January 1986 between the Community as at present constituted and the Kingdom of Spain.

Article 43

1. Notwithstanding Article 42, the Kingdom of Spain may retain quantitative restrictions on imports:

- until 31 December 1988 for products referred to in Annex III,
- until 31 December 1989 for products referred to in Annex IV.

2. The restrictions referred to in paragraph 1 shall take the form of quotas.

3. The quotas for 1986 are listed in Annexes III and IV respectively.

The rate of progressive increase for quotas referred to in Annex III and for quotas 1 to 5 and 10 to 14 referred to in Annex IV 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. Such 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 IV, the annual rate of progressive increase shall be as follows:

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

4. Where the Commission records by a Decision that imports into Spain of a product listed in Annexes III and IV have for two consecutive years been less than 90 % of the quota, imports of that product from the

present Member States shall be liberalized as from the beginning of the year following those two years.

5. Protocol 7 shall define the principles which shall be applied by the Kingdom of Spain for the administration of the quotas laid down in paragraph 2 of this Article.

Article 44

1. Notwithstanding Article 42 the Kingdom of Spain may retain until 31 December 1989 a rate of national incorporation that shall not exceed 60 % for the parts and accessories used in the manufacture of motor vehicles for the transport of persons, with either a spark ignition or a compression ignition engine, other than motor coaches and buses, falling within subheading ex 87.02 A I b) of the Common Customs Tariff.

2. The rate of national incorporation provided for in paragraph 1 shall be the same for manufacturers who are nationals of the other Member States established in Spain and for all manufacturers from the Kingdom of Spain. The treatment accorded to the abovementioned manufacturers shall not be less favourable than that accorded to manufacturers from third countries.

Article 45

1. Notwithstanding Article 42, the Community may retain until 31 December 1988 quantitative restrictions on exports to Spain for the following products:

CCT heading No	Description
ex 26.03	Copper ash and residues and alloys thereof
ex 74.01	Copper waste and scrap and alloys thereof

2. The restrictions referred to in paragraph 1 shall consist of annual quantitative quotas.

3. The quotas for 1986 shall be respectively 5 000 tonnes for copper ash and residues and alloys thereof falling within heading No ex 26.03 of the Common Customs Tariff and 14 000 tonnes for copper waste and scrap and alloys thereof falling within heading No ex 74.01 of the Common Customs Tariff.

The rate of annual progressive increase for the initial quotas applicable as from the beginning of the second year shall be 10 % at the beginning of each year. Such increase shall be added to each quota and the next increase calculated on the basis of the total thus obtained.

4. Where exports from the Community of a product referred to in paragraph 1 have, for 1986 and 1987,

been less than 90 % of the quota opened, the restrictions in question shall be abolished from 1 January 1988.

5. The arrangements applied by the Community with regard to Spain, as provided for in paragraphs 1 to 4, shall not be less favourable than those applied to third countries.

Article 46

Notwithstanding Article 42 the present Member States may, until the end of the period referred to in Article 52, retain quantitative restrictions on exports of waste and scrap metal of iron or steel falling within heading No 73.03 of the Common Customs Tariff, which they applied to the Kingdom of Spain prior to the date of accession, insofar as these arrangements are not more restrictive than those applied to exports to third countries.

Article 47

1. Notwithstanding Article 42, the holder, or his beneficiary, of a patent for a chemical or pharmaceutical product or a product relating to plant health, filed in a Member State at a time when a product patent could not be obtained in Spain for that product may rely upon the rights granted by that patent in order to prevent the import and marketing of that product in the present Member State or States where that product enjoys patent protection even if that product was put on the market in Spain for the first time by him or with his consent.

2. This right may be invoked for the products referred to in paragraph 1 until the end of the third year after Spain has made these products patentable.

Article 48

1. Without prejudice to paragraphs 2 and 3 of this Article, the Kingdom of Spain shall, from 1 January 1986, progressively adjust State monopolies of a commercial character within the meaning of Article 37 (1) of EEC Treaty, bearing in mind, where appropriate, Article 90 (2) of the EEC Treaty, so as to ensure that by 31 December 1991 at the latest no discrimination regarding the conditions under which goods are procured and marketed exists between nationals of the Member States.

The present Member States shall have equivalent obligations in relation to the Kingdom of Spain.

The Commission shall make recommendations as to the manner in which and the timetable according to which the adjustment must be carried out, it being understood that the manner and timetable must be the same for the Kingdom of Spain and the present Member States.

2. The Kingdom of Spain shall, from 1 January 1986, abolish all exclusive export rights.

3. With regard to products indicated in the list appearing in Annex V, the exclusive import rights shall be abolished not later than 31 December 1991. The abolition of these exclusive rights shall be made by progressively opening, from 1 January 1986, import quotas for products from the present Member States. Quota volumes for 1986 are indicated in the said list.

The Kingdom of Spain shall increase the quota volumes in the manner set out in the annex referred to in the first subparagraph.

The increases expressed in percentage terms shall be added to each quota and the next increase calculated on the basis of the total thus obtained.

The quotas referred to in the first subparagraph shall be opened for all operators without restriction and goods imported under these quotas may not be subject in Spain to exclusive marketing rights at the wholesale level; as regards retail sales of certain goods imported under quotas, the marketing of such goods to consumers will have to be on a non-discriminatory basis.

4. The adjustment of the monopoly of products indicated in the list appearing in Annex VI may not necessarily affect the functioning of the Spanish petroleum monopoly with regard to third countries. This monopoly may continue to determine the origin and the conditions of acquisition of a share of crude oil imports, from third countries, necessary to ensure availability of supply on the Spanish market, whilst complying with the provisions of the EEC Treaty, and in particular those relating to free movement contained in Articles 30 and 37 of that Treaty.

Article 49

Notwithstanding Article 42, the arrangements described in Protocol 9 shall be applied to trade in certain textile products between the Community as at present constituted and Spain.

Section III

Other provisions

Article 50

1. The Commission shall, with due regard for the provisions in force, in particular those relating to Com-

munity transit, determine the methods of administrative cooperation designed to ensure that goods, fulfilling the requisite conditions, benefit from the abolition of customs duties and charges having equivalent effect, and quantitative restrictions and measures having equivalent effect, laid down by this Act.

2. Until 28 February 1986 the provisions of the 1970 Agreement between the European Economic Community and Spain on customs arrangements shall continue to apply to trade between the Community as at present constituted and Spain.

3. The Commission shall lay down the provisions applicable from 1 March 1986 to trade within the Community in goods obtained in the Community in the manufacture of which have been incorporated:

- products on which the customs duties or charges having equivalent effect which were applicable to them in the Community as at present constituted or in Spain have not been levied, or which have benefited from a total or partial drawback of such duties or charges,
- agricultural products, which do not fulfil the required conditions to be released for free circulation in the Community as at present constituted or in Spain.

In adopting these provisions, the Commission shall take into account the rules laid down in this Act for the elimination of customs duties between the Community as at present constituted and Spain, and for the progressive application by the Kingdom of Spain of the Common Customs Tariff and provisions concerning the common agricultural policy.

Article 51

1. Save as otherwise provided in this Act, the provisions in force with regard to customs legislation for trade with third countries shall apply under the same conditions to trade within the Community for such time as customs duties are levied in that trade.

For the purpose of establishing the customs value in respect of trade within the Community, and trade with third countries, until:

- 31 December 1992 for industrial products,
- 31 December 1995 for agricultural products,

the customs territory to be taken into consideration shall be that defined by the provisions existing in the Community and in the Kingdom of Spain on 31 December 1985.

2. The Kingdom of Spain shall apply the Common Customs Tariff and ECSC unified tariff nomenclatures in trade within the Community from 1 March 1986.

The Kingdom of Spain may include within these nomenclatures national subdivisions existing at the time of accession which are indispensable in order that the progressive elimination of its customs duties within the Community be carried out under the conditions laid down in this Act.

Article 52

During a period of three years from the date of accession, the Kingdom of Spain shall complete the restructuring of its iron and steel industry under the conditions defined in Protocol 10 annexed hereto.

The period indicated above may be shortened and the detailed rules set out in the said Protocol may be amended by the Commission with the assent of the Council on the basis of:

- the state of progression of the Spanish restructuring plans, taking into account significant factors in the re-establishment of the viability of the undertakings,
- iron and steel measures in force in the Community after the date of accession; in that case, the arrangements applicable after accession to Spanish deliveries to the Community as at present constituted should not lead to major differences in treatment between Spain and the other Member States.

Article 53

1. Where the compensatory amounts referred to in Article 72 are applied in trade between the Community as at present constituted and the Kingdom of Spain to one or more of the basic products considered as having been used in the manufacture of goods covered by Council Regulation (EEC) No 3033/80 of 11 November 1980 laying down the trade arrangements applicable to certain goods resulting from the processing of agricultural products, the following transitional measures shall be applied:

- A compensatory amount calculated on the basis of the compensatory amounts referred to in Article 72 and in accordance with the rules laid down by Regulation (EEC) No 3033/80 for calculating the variable component applicable to the goods covered by this Regulation shall be applied on importation of those goods into the Community as at present constituted from Spain.

- When the goods covered by Regulation (EEC) No 3033/80 are imported from third countries into Spain the variable component laid down by this Regulation shall be increased or reduced as the case may be by the compensatory amount referred to in the first indent.

- A compensatory amount determined on the basis of the compensatory amounts fixed for the basic products and in accordance with the rules applicable for the calculation of the refunds provided for in Council Regulation (EEC) No 3035/80 of 11 November 1980 laying down general rules for granting export refunds on certain agricultural products exported in the form of goods not covered by Annex II to the Treaty, and the criteria for fixing the amount of such refunds, shall, for the goods covered by this Regulation, be applied on exportation of those goods from the Community as at present constituted into Spain.

- Where products covered by Regulation (EEC) No 3035/80 are exported from Spain to third countries they shall be subject to the compensatory amount referred to in the third indent.

2. The customs duty constituting the fixed component of the charge applicable, as from the date of accession, to imports into Spain of goods covered by Regulation (EEC) No 3033/80 shall be determined by deducting from the basic customs duty applied by the Kingdom of Spain to products originating in the Community as at present constituted a variable component equal to the variable component laid down in application of Regulation (EEC) No 3033/80, increased or reduced, as the case may be, by the compensatory amount referred to in the first and third indents of paragraph 1.

For the products falling within the headings of the Common Customs Tariff mentioned in Annex VII, the fixed component shall be equal to the duties which appear in the said Annex.

Spain may submit the products listed in Annex VII and the spirituous beverages falling within subheading 22.09 C of the Common Customs Tariff to Community surveillance for a seven-year transitional period for exclusively statistical purposes. Nevertheless imports of those products may not be delayed in any way as a result of this statistical surveillance being applied.

3. The customs duty constituting the fixed component of the charge applicable as from the date of accession to imports into Spain from third countries of the goods covered by Regulation (EEC) No 3033/80 shall be equal to the higher of the two amounts determined as follows:

- The amount obtained by deducting from the basic customs duty applied by the Kingdom of Spain to imports from third countries a variable component equal to the variable component fixed pursuant to

Regulation (EEC) No 3033/80, increased or decreased, as the case may be, by the compensatory amount referred to in the first and third indents of paragraph 1.

- The amount obtained by adding together the fixed component applicable to imports into Spain from the Community as at present constituted and the fixed component of the Common Customs Tariff duty (or with regard to third countries benefiting from the Community generalized system of preferences, the fixed preferential component which the Community applies, where appropriate, to imports from those countries).

4. By way of derogation from Article 30, the customs duties applied by the Kingdom of Spain to imports from the Community and third countries shall be converted, as from the date of accession, into the type of duty and the units entered in the Common Customs Tariff. Conversion shall be made on the basis of the value of the goods imported into Spain during the last four three-month periods for which information is available or, in the absence of imports of the goods concerned into Spain, on the basis of the unit value of the same goods imported into the Community as at present constituted.

5. Every fixed component applied in trade between the Community as at present constituted and the Kingdom of Spain shall be eliminated in accordance with Article 31.

Every fixed component applied by the Kingdom of Spain to imports from third countries shall be aligned on the fixed component of the Common Customs Tariff duty (or, where appropriate, on the fixed preferential component provided for in the Community generalized system of preferences), in accordance with Articles 37 and 40.

6. Where a reduction in the variable component of the Common Customs Tariff duty is granted to third countries benefiting from the Community generalized system of preferences, the Kingdom of Spain shall apply this variable preferential component as from the date of accession.

Section IV

Trade between the Kingdom of Spain and the Portuguese Republic

Article 54

The Kingdom of Spain shall apply Articles 30 to 53 in its trade with the Portuguese Republic, subject to the conditions set out in Protocol 3.

CHAPTER 2

Free movement of persons, services and capital

Section I

Workers

Article 55

Article 48 of the EEC Treaty shall only apply, in relation to the freedom of movement of workers between Spain and the other Member States, subject to the transitional provisions laid down in Articles 56 to 59 of this Act.

Article 56

1. Articles 1 to 6 of Regulation (EEC) No 1612/68 on the freedom of movement of workers within the Community shall apply in Spain with regard to nationals of the other Member States and in the other Member States with regard to Spanish nationals, only as from 1 January 1993.

The Kingdom of Spain and the other Member States may maintain in force until 31 December 1992, with regard to nationals of the other Member States and to Spanish nationals respectively, national provisions, or those resulting from bilateral arrangements, making prior authorization a requirement for immigration with a view to pursuing an activity as an employed person and/or taking up paid employment.

However the Kingdom of Spain and the Grand Duchy of Luxembourg may maintain in force until 31 December 1995 the national provisions referred to in the preceding subparagraph with regard to Luxembourg nationals and Spanish nationals respectively.

2. As from 1 January 1991 the Council shall, after receiving a report from the Commission, examine the results of the application of the measures of derogation referred to in paragraph 1.

On completion of this examination, the Council, acting unanimously on a proposal from the Commission may, on the basis of new data, adopt provisions intended to adjust the said measures.

Article 57

1. Article 11 of Regulation (EEC) No 1612/68 shall apply until 31 December 1990 in Spain with regard to

nationals of the other Member States and in the other Member States with regard to Spanish nationals under the conditions indicated hereinafter:

- (a) The members of workers' families referred to in Article 10 (1) (a) of the said Regulation, installed in accordance with regulations with the worker in the territory of a Member State at the date of signature of this Act, shall have the right, upon accession, to take up any paid employment throughout the territory of that Member State.

However, eligibility for the right referred to above may be limited to the members of Spanish workers' families, installed in another Member State at a previous date defined pursuant to special bilateral arrangements concluded before the date of signature of this Act, concerning the conditions for access to employment of members of the families of Spanish workers after accession.

- (b) The members of workers' families, referred to in Article 10 (1) (a) of the said Regulation, installed in accordance with regulations with the worker in the territory of a Member State after the date of signature of this Act, shall have the right to take up any paid employment there if they have been resident there for at least three years. This period of residence shall be reduced to 18 months as from 1 January 1989.

This paragraph shall be without prejudice to more favourable national provisions or those resulting from bilateral arrangements.

2. The arrangements provided for in paragraph 1 shall also apply to members of the family of a self-employed person installed with him in a Member State.

Article 58

In so far as certain provisions of Directive 68/360/EEC on the abolition of restrictions on movement and residence within the Community for workers of Member States and their families may not be dissociated from those of Regulation (EEC) No 1612/68 whose application is deferred pursuant to Article 56, the Kingdom of Spain and the other Member States may derogate from those provisions to the extent necessary for the application of the provisions for derogation which are laid down in Article 56 in connection with the said Regulation.

Article 59

The Kingdom of Spain and the other Member States shall take, with the assistance of the Commission, the necessary measures so that the application of the Commission Decision of 8 December 1972 on the uniform system established pursuant to Article 15 of Council Regulation (EEC) No 1612/68, known as 'Sedoc' and

the Commission Decision of 14 December 1972 on the 'Community plan' for the collection and circulation of information provided for in Article 14 (3) of Regulation (EEC) No 1612/68 may be extended to Spain by 1 January 1993 at the latest.

Article 60

1. Until the entry into force of the uniform solution for all the Member States referred to in Article 99 of Regulation (EEC) No 1408/71 on the application of social security schemes to employed persons, to self-employed persons and to members of their families moving within the Community, and until 31 December 1988 at the latest, Articles 73 (1) and (3), 74 (1) and 75 (1) of Regulation (EEC) No 1408/71, and Articles 86 and 88 of Regulation (EEC) No 574/72 fixing the procedure for implementing Regulation (EEC) No 1408/71 shall not apply to Spanish workers who are employed in a Member State other than Spain, and the members of whose families are resident in Spain.

Articles 73 (2), 74 (2), 75 (2) and 94 (9) of Regulation (EEC) No 1408/71, and Articles 87, 89, 98 and 120 of Regulation (EEC) No 574/72 shall apply by analogy to these workers.

However, the foregoing is without prejudice to legislative provisions of a Member State whereby family benefits are to be payable in respect of members of the family, whatever their country of residence.

2. Notwithstanding Article 6 of Regulation (EEC) No 1408/71, the following provisions of Social Security Conventions shall continue to apply to Spanish workers during the period referred to in paragraph 1:

(a) *Spain — Belgium*

- Article 20 (2) and (3) of the General Convention of 28 November 1956,
- Articles 59, 60 and 61 of the Administrative Arrangement of 30 July 1969.

(b) *Spain — Germany*

- Points 1 to 4 of Article 40 (1) of the Convention of 4 December 1973, as amended by Article 2 of the Modifying Arrangement of 17 December 1975.

(c) *Spain — Italy*

- Articles 25 and 26 of the Convention of 30 October 1979,
- Articles 31 and 32 of the Administrative Arrangement of 30 October 1979.

(d) Spain — Luxembourg

- Article 29 of the Convention of 8 May 1969, as amended by Article 3 of the Second Supplementary Agreement of 29 March 1978,
- Article 30 of the Administrative Arrangement of 25 May 1971.

(e) Spain — Netherlands

- Article 37 (2) and (5) of the Convention of 5 February 1974,
- Articles 46 and 47 of the Administrative Arrangement of 5 February 1974.

(f) Spain — Portugal

- Articles 23 and 24 of the General Convention of 11 June 1969,
- Articles 45 and 46 of the Administrative Arrangement of 22 May 1970.

(g) Spain — United Kingdom

- Article 22 of the Convention of 13 September 1974,
- Article 17 of the Agreement of 30 October 1974.

Member States by persons resident in Spain, having as their object the acquisition and ownership of transferable securities,

- (b) until 31 December 1990, the liberalization of direct investments in the undertakings of the other Member States by persons resident in Spain, having as their object the acquisition, possession or exploitation of immovable property.

Article 63

The Kingdom of Spain may postpone, until 31 December 1990, the liberalization of real estate investments in the other Member States by persons resident in Spain, to the extent that these investments are not related to emigration in the context of the freedom of movement for workers or the right of establishment.

Article 64

The Kingdom of Spain may postpone, until 31 December 1988, the liberalization of acquisition in the other Member States by persons resident in Spain of foreign securities dealt in on a stock exchange.

However, the liberalization of the acquisition:

- of these securities by insurance companies, deposit banks, industrial banks up to 10 % of the increase of their own resources,
 - of these securities by investment funds and companies dealing in personal property, under the conditions laid down by national provisions governing such funds and companies,
 - of fixed income securities, issued by the European Communities and the European Investment Bank,
- shall take place on accession.

Article 65

The Kingdom of Spain shall, circumstances permitting, carry out the liberalization of capital movements provided for in Articles 62, 63 and 64 before the expiry of the time limits provided for in those Articles.

Article 66

For the purposes of applying the provisions of this section, the Commission may consult the Monetary Committee and submit appropriate proposals to the Council.

Section II

Capital movements

Article 61

1. The Kingdom of Spain may, under the conditions and within the time limits set out in Articles 62 to 66, postpone the liberalization of capital movements set out in Lists A and B of the First Council Directive of 11 May 1960 for the implementation of Article 67 of the Treaty and of the Second Council Directive of 18 December 1962 adding to and amending the First Directive for the implementation of Article 67 of the EEC Treaty.

2. Appropriate consultations shall take place in due course between the Spanish authorities and the Commission on procedures for applying measures of liberalization or relaxation the implementation of which may be postponed under the following provisions.

Article 62

The Kingdom of Spain may postpone:

- (a) until 31 December 1988, the liberalization of direct investments in the undertakings of the other

CHAPTER 3

Agriculture

Section I

General provisions

Article 67

1. This Chapter concerns agricultural products with the exception of products falling within Regulation (EEC) No 3796/81 on the common organization of the market in fishery products.
2. Save as otherwise provided for in this Chapter, the rules laid down in this Act shall apply to the agricultural products referred to in paragraph 1.
3. Subject to the specific provisions of this Chapter laying down different dates or shorter time limits, the application of the transitional measures for the agricultural products referred to in paragraph 1 shall terminate at the end of 1995.

Sub-section 1

Price compensation and moves towards price alignment

Article 68

Before the first move towards price alignment referred to in Article 70, the prices to be applied in Spain shall be fixed, in accordance with the rules provided for in the common organization of the market in the sector in question, at a level corresponding to that of prices fixed in Spain under the previous national system, for a representative period to be determined for each product.

If, for a given product, no definition of the Spanish price exists, the price to be applied in Spain shall be calculated on the basis of the prices actually recorded on Spanish markets during a representative period to be determined.

However, in the absence of price data in respect of certain products on the Spanish market, the price to be applied in Spain shall be calculated on the basis of the prices obtaining in the Community as at present constituted of similar products or groups of similar products, or products with which they are in competition.

Article 69

1. In the event that, on accession, it is found that the variation between the price level for a product in Spain

and the common price level is minimal, the common price may be applied in Spain for the product in question.

2. The variation referred to in paragraph 1 shall be considered as minimal where it is less than or equal to 3 % of the common price.

Article 70

1. If the application of Article 68 in Spain results in a price level different from that of the common prices, the prices in respect of which, in Section II, reference is made to this Article shall, subject to paragraph 4, be aligned with the common prices each year at the beginning of the marketing year in accordance with the provisions of paragraphs 2 and 3.

2. Where the price of a product in Spain is lower than the common price, the move towards alignment shall be made in seven stages, the price in Spain, at the time of the first six moves towards alignment, being increased successively, by a seventh, a sixth, a fifth, a quarter, a third and a half of the difference between the price level in that Member State and the common price level which are applicable before each move towards alignment; the price resulting from that calculation shall be increased or reduced proportionately to any rise or fall in the common price for the next marketing year; the common price shall be applied in Spain at the time of the seventh move towards alignment:

3. (a) Where the price of a product in Spain is higher than the common price, the price in that Member State shall be maintained at the level resulting from the application of Article 68, the moves towards alignment resulting from the development of common prices during the seven years following accession.

However, the price in Spain shall be adjusted to the extent necessary to avoid an increase in the variation between that price and the common price.

Moreover, if the Spanish prices, expressed in ECU, fixed under the previous national arrangements for the 1985/86 marketing year have led to an overrun in the variation existing for the 1984/85 marketing year between the Spanish prices and the common prices, the price in Spain resulting from the application of the two preceding subparagraphs shall be reduced by an amount to be determined, equivalent to part of the overrun, so that the overrun is totally absorbed over the first seven marketing years following accession.

Without prejudice to point (b), the common price shall be applied when the seventh move towards adjustment takes place.

- (b) Where the price of a product in Spain is significantly higher than the common price, the Council shall, at the end of the fourth year following accession, carry out an analysis of the development of moves towards price alignment, on the basis of an opinion from the Commission accompanied, where appropriate, by suitable proposals.

The Council, acting by a qualified majority on a proposal from the Commission and after consulting the Assembly, may, in particular, prolong the period for moves towards price alignment within the limits of the maximum duration of the period of application of the transitional measures and decide on other methods of accelerated moves towards price alignment.

4. In the interests of the smooth functioning of the process of integration, it may be decided that, notwithstanding paragraph 2, the price of one or more products in Spain shall, for one marketing year, vary from the prices resulting from the application of that paragraph.

That variation may not exceed 10 % of the amount of the price move to be made.

In that event, the price level for the following marketing year shall be that which would have resulted from applying paragraph 2 if the variation had not been decided upon. A further variation from that price level may, however, be decided upon for that marketing year under the conditions laid down in the first and second subparagraphs.

The derogation laid down in the first subparagraph shall not apply to the last move towards alignment referred to in paragraph 2.

Article 71

Where, on the date of accession or during the period of application of the transitional measures, the price on the world market for a certain product exceeds the common price, the common price may be applied in Spain for the product in question, unless the price applied in Spain is higher than the common price.

Article 72

The differences in price levels in respect of which, in Section II, reference is made to this Article shall be compensated for as follows:

1. For products in respect of which prices are fixed in accordance with Articles 68 and 70, the compensatory amounts applicable in trade between the Community as at present constituted and Spain, and between Spain and third countries, shall be equal

to the difference between the prices fixed for Spain and the common prices.

However, the compensatory amount established in accordance with the rules referred to above shall, where appropriate, be corrected to take into account also the incidence of national aid that the Kingdom of Spain is authorized to maintain under Article 80.

2. No compensatory amount shall, however, be fixed if the application of paragraph 1 results in a minimal amount.
3. (a) In trade between Spain and the Community as at present constituted, compensatory amounts shall be levied by the importing State or granted by the exporting State.
(b) In trade between Spain and third countries, levies or other import charges applied under the common agricultural policy, and, save for express derogation, export refunds, shall be reduced or increased, as the case may be, by the compensatory amounts applicable in trade with the Community as at present constituted.
Customs duties may not, however, be reduced by the compensatory amount.
4. For products in respect of which the duty in the Common Customs Tariff is bound under the General Agreement on Tariffs and Trade, the binding shall be taken into account.
5. The compensatory amount levied or granted by a Member State in accordance with paragraph 1 may not exceed the total amount levied by that same Member State on imports from third countries, benefiting from the most-favoured-nation clause.
The Council, acting by a qualified majority on a proposal from the Commission, may derogate from this rule, in particular in order to avoid deflections of trade and distortions of competition.
6. The Council, acting by a qualified majority on a proposal from the Commission, may derogate, in so far as is necessary for the proper functioning of the common agricultural policy, from the first subparagraph of Article 53 for products to which compensatory amounts apply.

Article 73

If the world market price for a product is higher than the price used in calculating the import charge introduced under the common agricultural policy, less the compensatory amount deducted from the import

charge in accordance with Article 72 or, if the refund on exports to third countries is less than the compensatory amount or, if no refund is applicable, appropriate measures may be taken with a view to ensuring the proper functioning of the common organization of the market.

Article 74

1. The compensatory amounts granted shall be financed by the Community from the Guarantee Section of the European Agricultural Guidance and Guarantee Fund.

2. Expenditure to be made by the Kingdom of Spain with regard to intervention on its internal market and to the granting of refunds or subsidies for exports to third countries and the other Member States shall remain national until 31 December 1989 for products falling under Regulation (EEC) No 1035/72 on the common organization of the market in fruit and vegetables.

However, the Community shall participate in financing intervention operations carried out by the Kingdom of Spain during the verification of convergence phase applicable to those products under the conditions set out in Article 133.

As from the second phase, expenditure on intervention in the Spanish domestic market and on the granting of refunds for exports to third countries shall be financed by the Community under the Guarantee Section of the European Agricultural Guidance and Guarantee Fund.

Sub-section 2

Free movement and customs union

Article 75

The following provisions shall apply to products the importation of which from third countries into the Community as at present constituted is subject to customs duties:

1. Without prejudice to paragraphs 4 and 5, customs duties on imports shall be progressively abolished between the Community as at present constituted and Spain in accordance with the following timetable:

- on 1 March 1986, each duty shall be reduced to 87,5 % of the basic duty,
- on 1 January 1987, each duty shall be reduced to 75 % 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 50 % of the basic duty,
- on 1 January 1990, each duty shall be reduced to 37,5 % of the basic duty,
- on 1 January 1991, each duty shall be reduced to 25 % of the basic duty,
- on 1 January 1992, each duty shall be reduced to 12,5 % of the basic duty,
- on 1 January 1993, every duty shall be abolished.

However:

(a) for products falling within Regulation (EEC) No 1035/72, tariff dismantling shall take place over a transitional period of 10 years in accordance with the following procedure:

- for products for which a reference price is fixed, the duties shall be progressively abolished in eleven annual instalments in accordance with the following timetable:

- on 1 March 1986, 10 %,
- on 1 January 1987, 10 %,
- on 1 January 1988, 10 %,
- on 1 January 1989, 10 %,
- on 1 January 1990, 25 %,
- on 1 January 1991, 15 %,
- on 1 January 1992, 4 %,
- on 1 January 1993, 4 %,
- on 1 January 1994, 4 %,
- on 1 January 1995, 4 %,
- on 1 January 1996, 4 %,

- for the other products, customs duties shall be progressively abolished in accordance with the following timetable:

- on 1 March 1986, each duty shall be reduced to 90,9 % of the basic duty,
- on 1 January 1987, each duty shall be reduced to 81,8 % of the basic duty,
- on 1 January 1988, each duty shall be reduced to 72,7 % of the basic duty,
- on 1 January 1989, each duty shall be reduced to 63,6 % of the basic duty,
- on 1 January 1990, each duty shall be reduced to 54,5 % of the basic duty,
- on 1 January 1991, each duty shall be reduced to 45,4 % of the basic duty,
- on 1 January 1992, each duty shall be reduced to 36,3 % of the basic duty,

- on 1 January 1993, each duty shall be reduced to 27,2 % of the basic duty,
 - on 1 January 1994, each duty shall be reduced to 18,1 % of the basic duty,
 - on 1 January 1995, each duty shall be reduced to 9 % of the basic duty,
 - on 1 January 1996, every duty shall be abolished;
- (b) for products falling within Regulation (EEC) No 805/68 on the common organization of the market in beef and veal, customs duties on imports shall be progressively abolished in eight stages by 12,5 % at the beginning of each of the eight marketing years following accession;
- (c) for oil seeds and oleagineous fruit falling under subheading 12.01 B of the Common Customs Tariff and for products falling within heading No 12.02 and subheading 23.04 B thereof, import duties shall be progressively abolished between the Community as at present constituted and Spain in accordance with the following timetable:
- on 1 March 1986, each duty shall be reduced to 90,9 % of the basic duty,
 - on 1 January 1987, each duty shall be reduced to 81,8 % of the basic duty,
 - on 1 January 1988, each duty shall be reduced to 72,7 % of the basic duty,
 - on 1 January 1989, each duty shall be reduced to 63,6 % of the basic duty,
 - on 1 January 1990, each duty shall be reduced to 54,5 % of the basic duty,
 - on 1 January 1991, each duty shall be reduced to 45,4 % of the basic duty,
 - on 1 January 1992, each duty shall be reduced to 36,3 % of the basic duty,
 - on 1 January 1993, each duty shall be reduced to 27,2 % of the basic duty,
 - on 1 January 1994, each duty shall be reduced to 18,1 % of the basic duty,
 - on 1 January 1995, each duty shall be reduced to 9 % of the basic duty,
 - on 1 January 1996, every duty shall be abolished;
- (d) for the products referred to in Article 1 (2) (b) of Regulation No 136/66/EEC, with the exception of those falling within heading No 12.02 and subheading 23.04 B of the Common Customs Tariff, the Community as at present constituted and the Kingdom of Spain shall apply unchanged their respective basic duties and charges having equivalent effect during the period of application in Spain of certain control mechanisms referred to in Article 94.
- On the expiry of that period, charges having an equivalent effect to customs duties shall be abolished in their entirety, and the customs duties shall be progressively abolished in accordance with the following timetable:
- on 1 January 1991, each duty shall be reduced to 83,3 % of the basic duty,
 - on 1 January 1992, each duty shall be reduced to 66,6 % of the basic duty,
 - on 1 January 1993, each duty shall be reduced to 49,9 % of the basic duty,
 - on 1 January 1994, each duty shall be reduced to 33,2 % of the basic duty,
 - on 1 January 1995, each duty shall be reduced to 16,5 % of the basic duty,
 - on 1 January 1996, every duty shall be abolished.
2. Without prejudice to paragraphs 4 and 5, for the purposes of the implementation by the Kingdom of Spain of the Common Customs Tariff, the following provisions shall apply:
- (a) For the following products:
- products falling within Regulation (EEC) No 805/68,
 - products falling within Regulation (EEC) No 1035/72 and for which, for the whole or part of the marketing year, a reference price is fixed,
 - products falling within Regulation (EEC) No 337/79 on the common organization of the market in wine and for which a reference price is fixed,
- the Kingdom of Spain shall apply the Common Customs Tariff duties in their entirety from 1 March 1986.
- (b) For oil seeds and oleaginous fruit falling under subheading 12.01 B of the Common Customs Tariff and all the products falling under heading No 12.02 and subheading 23.04 B thereof, so that the Common Customs Tariff may be progressively introduced, the Kingdom of Spain shall amend its tariff applicable to third countries as follows:
- (aa) For the tariff headings for which the basic duties do not vary from the Common Customs Tariff duties by more than 15 % either above or below, these latter duties shall apply.
- (bb) In the other cases the Kingdom of Spain shall apply a duty reducing the variation between the basic duty and the Common

Customs Tariff duty in accordance with the following timetable:

- on 1 March 1986, the variation shall be reduced to 90,9 % of the initial variation,
- on 1 January 1987, the variation shall be reduced to 81,8 % of the initial variation,
- on 1 January 1988, the variation shall be reduced to 72,7 % of the initial variation,
- on 1 January 1989, the variation shall be reduced to 63,6 % of the initial variation,
- on 1 January 1990, the variation shall be reduced to 54,5 % of the initial variation,
- on 1 January 1991, the variation shall be reduced to 45,4 % of the initial variation,
- on 1 January 1992, the variation shall be reduced to 36,3 % of the initial variation,
- on 1 January 1993, the variation shall be reduced to 27,2 % of the initial variation,
- on 1 January 1994, the variation shall be reduced to 18,1 % of the initial variation,
- on 1 January 1995, the variation shall be reduced to 9 % of the initial variation.

The Kingdom of Spain shall apply the Common Customs Tariff in its entirety from 1 January 1996.

- (c) For the products referred to in Article 1 (2) (b) of Regulation No 136/66/EEC, with the exception of those falling within heading No 12.02 and subheading 23.04 B of the Common Customs Tariff, the Kingdom of Spain shall apply unchanged its basic duties and charges having equivalent effect during the period of application in Spain of certain control mechanisms referred to in Article 94.

On the expiry of that period, the Kingdom of Spain shall abolish charges having an equivalent effect to customs duties in their entirety and shall amend its tariff applicable to third countries as follows:

- (aa) For the tariff headings from which the basic duties do not vary from the Common Customs Tariff duties by more than 15 % either above or below, these latter duties shall apply.
- (bb) In other cases the Kingdom of Spain shall reduce the variation between the basic duties and the Common Customs

Tariff duties in accordance with the following timetable:

- on 1 January 1991, the variation shall be reduced to 83,3 % of the initial variation,
- on 1 January 1992, the variation shall be reduced to 66,6 % of the initial variation,
- on 1 January 1993, the variation shall be reduced to 49,9 % of the initial variation,
- on 1 January 1994, the variation shall be reduced to 33,2 % of the initial variation.
- on 1 January 1995, the variation shall be reduced to 16,5 % of the initial variation.

The Kingdom of Spain shall apply the Common Customs Tariff in its entirety from 1 January 1996.

- (d) For the other products:

- (aa) The Common Customs Tariff duty shall be applied by the Kingdom of Spain in its entirety from 1 March 1986, if its basic duties are less than or equal to those of the Common Customs Tariff, with the exception of:

- natural honey falling within heading No 04.06 of the Common Customs Tariff and unmanufactured tobacco and tobacco refuse falling within heading No 24.01 thereof, for which the Kingdom of Spain shall reduce the variation between the basic duty and the Common Customs Tariff duty in eight movements of 12,5 %, each movement taking place on 1 March 1986 and 1 January of the years 1987 to 1993,
- cocoa beans, whole or broken, raw or roasted falling within heading No 18.01 of the Common Customs Tariff and coffee, unroasted and not freed of caffeine falling within subheading 09.01 A I a) thereof, for which the Kingdom of Spain shall reduce the variation between the basic duty and the Common Customs Tariff duty in accordance with the following timetable:
 - on 1 March 1986, the variation shall be reduced to 83,3 % of the initial variation,
 - on 1 January 1987, the variation shall be reduced to 66,6 % of the initial variation,
 - on 1 January 1988, the variation shall be reduced to 49,9 % of the initial variation,

- on 1 January 1989, the variation shall be reduced to 33,2 % of the initial variation,
- on 1 January 1990, the variation shall be reduced to 16,5 % of the initial variation.

From 1 January 1991 the Kingdom of Spain shall apply the Common Customs Tariff in its entirety.

(bb) If Spanish basic duties are higher than the Common Customs Tariff duties, the Kingdom of Spain shall amend its tariff applicable to third countries as follows:

- (i) For the tariff headings for which the basic duties do not vary from the Common Customs Tariff duties by more than 15 % either above or below, these latter duties shall apply.
- (ii) In the other cases the Kingdom of Spain shall apply a duty reducing the variation between the basic duties and the Common Customs Tariff duties in eight equal instalments of 12,5 %, on the following dates:
 - 1 March 1986,
 - 1 January 1987,
 - 1 January 1988,
 - 1 January 1989,
 - 1 January 1990,
 - 1 January 1991,
 - 1 January 1992.

The Kingdom of Spain shall apply the Common Customs Tariff in its entirety from 1 January 1993.

3. Within the meaning of paragraphs 1 and 2, the basic duty shall be that defined in Article 30.

However:

- for the products referred to in Annex VIII, the basic duty shall be that which appears opposite each product,
- for oil seeds and oleaginous fruit falling within subheading 12.01 B of the Common Customs Tariff and for products falling within heading No 12.02 and subheading 23.04 B thereof, subject under the previous national arrangements to the levy on import into Spain of the so-called 'regulatory' or 'variable compensatory' duties, the basic duty shall be fixed at a level to be determined under the conditions laid down in Article 91, representative of the 1984/85 marketing year.

4. For products subject to the common organization of markets, it may be decided, following the proce-

cedure laid down in Article 38 of Regulation No 136/66/EEC or, as the case may be, in the corresponding Articles of other Regulations setting up the common organization of agricultural markets, that:

(a) Spain, at its request, shall:

- abolish the customs duties referred to in paragraph 1 or move towards the alignment with customs duties applicable to products other than those referred to in paragraph 2 (a) at a more rapid rate than laid down there,
- suspend in whole or in part the customs duties on products imported from the present Member States,
- suspend in whole or in part the customs duties on products imported from third countries for products other than those referred to in paragraph 2 (a);

(b) the Community as at present constituted shall:

- abolish the customs duties referred to in paragraph 1 at a more rapid rate than laid down there,
- suspend in whole or in part the customs duties on products imported from Spain.

For products which are not subject to the common organization of markets:

(a) no decision is required for the Kingdom of Spain to apply the measures referred to in the first and second indents of point (a) of the first subparagraph; the Kingdom of Spain shall inform the other Member States and the Commission of the measures taken;

(b) the Commission may suspend in whole or in part the customs duties applicable to products imported from Spain.

The customs duties resulting from an accelerated alignment or suspended customs duties may not be less than the customs duties on imports of the same products from other Member States.

5. Should special difficulties arise on the market of products falling within subheadings 15.17 B II and 23.04 B of the Common Customs Tariff, the Kingdom of Spain may be authorized, in accordance with the procedure laid down in Article 38 of Regulation No 136/66/EEC to:

(a) defer the reduction to be made, under point 1 (c), to import duties in the Community as at present constituted;

(b) defer the reduction to be made, under point 2 (b), to the variation existing between its

basic duties and the Common Customs Tariff duties;

- (c) increase, during such time as is strictly necessary to eliminate the difficulties encountered, the import duties referred to above in points (a) and (b).

Article 76

1. The system applicable in the Community as at present constituted in respect of customs duties and charges having equivalent effect and quantitative restrictions and measures having equivalent effect in trade between Spain and the other Member States and between Spain and third countries shall apply in Spain from 1 March 1986, subject to any provision to the contrary in this Chapter, in respect of products covered, on the date of accession, by the common organization of markets.

2. In respect of products not covered, on 1 March 1986, by the common organization of markets, the provisions of Title II of Part Four concerning the elimination of charges having equivalent effect to customs duties and the progressive abolition of quantitative restrictions and measures having equivalent effect shall not apply to those charges, restrictions and measures if they form part of a national market organization in Spain or in another Member State on the date of accession.

This provision shall only apply until the common organization of the market for these products is implemented and not later than 31 December 1995 and to the extent strictly necessary to ensure the maintenance of the national organization.

3. The Kingdom of Spain shall apply the Common Customs Tariff nomenclature as from 1 March 1986.

To the extent that no difficulties arise in the application of the Community rules and, in particular, in the functioning of the common organization of markets and of the transitional mechanisms provided for in this Chapter, the Council, acting by a qualified majority on a proposal from the Commission, may authorize the Kingdom of Spain to include within this nomenclature such existing national subdivisions as would be indispensable for carrying out the progressive moves towards alignment with the Common Customs Tariff or the elimination of the duties within the Community under the conditions laid down in this Act.

Article 77

Without prejudice to Article 94, the Kingdom of Spain may, in accordance with detailed rules to be determined, maintain quantitative restrictions on the import from third countries:

- (a) of the following products until 31 December 1989:

CCT heading No	Description
07.01	Vegetables, fresh or chilled: <ul style="list-style-type: none"> B. Cabbages, cauliflowers and Brussels sprouts: <ul style="list-style-type: none"> I. Cauliflowers G. Carrots, turnips, salad beetroot, salsify, celeriac, radishes and similar edible roots: <ul style="list-style-type: none"> ex II. Carrots and turnips: <ul style="list-style-type: none"> — Carrots ex H. Onions, shallots and garlic: <ul style="list-style-type: none"> — Onions and garlic M. Tomatoes
08.02	Citrus fruit, fresh or dried: <ul style="list-style-type: none"> A. Oranges B. Mandarins (including tangerines and satsumas); clementines, wilkings and other similar citrus hybrids: <ul style="list-style-type: none"> ex II. Other: <ul style="list-style-type: none"> — Mandarins (including tangerines and satsumas) C. Lemons
08.04	Grapes, fresh or dried: <ul style="list-style-type: none"> A. Fresh: <ul style="list-style-type: none"> I. Table grapes

CCT heading No	Description
08.06	Apples, pears and quinces, fresh: A. Apples B. Pears
08.07	Stone fruit, fresh: A. Apricots ex B. Peaches, including nectarines: — Peaches

(b) of the products referred to in Article 1 of Regulation (EEC) No 2759/75 and of the following products until 31 December 1995:

CCT heading No	Description
02.04	Other meat and edible meat offals, fresh, chilled or frozen: ex A. Of domestic pigeons and domestic rabbits: — Meat of domestic rabbits
11.01	Cereal flours: A. Wheat or meslin flour
11.02	Cereal groats and cereal meal; other worked cereal grains (for example, rolled, flaked, polished, pearled or kibbled but not further prepared), except rice falling within heading No 10.06; germ of cereals, whole, rolled, flaked or ground: A. Cereal groats and cereal meal B. Hulled grains (shelled or husked), whether or not sliced or kibbled C. Pearled grains D. Grains not otherwise worked than kibbled ex E. Rolled grains; flaked grains: — Rolled grains G. Germ of cereals, whole, rolled, flaked or ground
11.08	Starches; inulin: A. Starches: III. Wheat starch
11.09	Wheat gluten, whether or not dried

(c) of the products subject to the supplementary mechanism applicable to imports into Spain from the Community as at present constituted, referred to Article 81, other than those falling within Regulation (EEC) No 1035/72.

Article 78

1. The component for protection of the processing industry which is used in calculating the charge on imports from third countries of products covered by the common organization of the markets in cereals and rice

shall be levied on imports from Spain into the Community as at present constituted.

2. For imports into Spain, the amount of that component shall be determined by separating out, from the protection applied on 1 January 1985, the component

or components designed to ensure the protection of the processing industry; however, this amount may not exceed the level of the Community protection component fixed for that product. If specific difficulties of quantification do not allow the determination of the protection component applicable in Spain, that Member State shall immediately apply the Community protection component.

Such components shall be levied on imports from other Member States; they shall replace, as regards the charge on imports from third countries, the Community protection component.

3. Article 75 shall apply to the component referred to in paragraphs 1 and 2, which shall be considered as the basic component. The reductions or alignments in question shall, however, be made in eight stages by 12,5 % at the beginning of the eight marketing years following accession fixed for the basic product concerned.

Sub-section 3

Aid

Article 79

1. The provisions of this Article shall apply to aids, premiums or other similar amounts set up under the common agricultural policy in respect of which reference is made to this Article in Section II.

2. For the purposes of applying Community aid in Spain, the following provisions shall apply:

- (a) The level of Community aid to be granted for a given product in Spain from 1 March 1986 shall be equal to an amount defined on the basis of aids granted by the Kingdom of Spain, during a representative period to be determined, under the previous national arrangements.

However, that amount may not exceed the amount of aid granted on 1 March 1986 to the Community as at present constituted.

If no similar aid was granted under the previous national arrangements, and subject to the following provisions, no aid shall be granted in Spain on 1 March 1986.

- (b) At the start of the first marketing year, or in absence thereof, of the first period of application of the aid following accession:

— either Community aid shall be introduced in Spain at a level representing one-seventh of the amount of Community aid applicable for the ensuing marketing year or period,

— or the level of Community aid in Spain shall, where a difference exists, be aligned on the level of aid applicable in the Community as at present constituted for the ensuing marketing year or period by one-seventh of the difference existing between those two aids.

- (c) At the start of the following marketing years or periods of application, the level of Community aid in Spain shall be aligned on the level of aid applicable in the Community as at present constituted for the ensuing marketing year or period successively by one-sixth, one-fifth, one-quarter, one-third and half the difference existing between those two aids.

- (d) The level of Community aid shall be applied in its entirety in Spain at the start of the seventh marketing year or period of application of the aid following accession.

Article 80

1. Without prejudice to Article 79, the Kingdom of Spain shall be authorized to maintain national aids, the abolition of which would not fail to have serious consequences both for producer and consumer prices. However, such aids can only be maintained on a transitional and, in principle, degressive basis, until not later than the end of the period of application of the transitional measures.

2. The Council, acting under the conditions set out in Article 91, shall adopt the necessary measures for the implementation of the provisions of this Article. These measures shall include in particular the list and the exact wording of the aids referred to in paragraph 1, the amount of the aids, the timetable of their abolition, any degressivity scale and the detailed rules necessary to ensure the proper functioning of the common agricultural policy; these detailed rules must, in addition, ensure equal access to the Spanish market.

3. Should the need arise, a derogation may be made, during the period of application of the transitional measures, from the degressivity scale referred to in paragraph 2.

Sub-section 4

Supplementary trade mechanism

Article 81

1. A supplementary mechanism applicable to trade between the Community as at present constituted and Spain shall be set up, hereinafter referred to as 'the STM'.

The STM shall apply from 1 March 1986 to 31 December 1995, with the exception of the products referred to in the first indent of paragraph 2 (a) and point (b) (cc) to which it shall apply from 1 January 1990 to 31 December 1995.

2. The following products shall be subject to the STM:

(a) With regard to imports into the Community as at present constituted:

- products of the fruit and vegetable sector falling within Regulation (EEC) No 1035/72,
- products of the wine sector falling within Regulation (EEC) No 337/79,
- new potatoes falling within subheading 07.01 A II of the Common Customs Tariff.

(b) With regard to imports into Spain, the following products:

(aa) Products of the wine sector falling within Regulation (EEC) No 337/79.

(bb)

CCT heading No	Description
01.02	Live animals of the bovine species: A. Domestic species: ex II. Other: — Excluding animals for bull fights
02.01	Meat and edible offals of the animals falling within heading No 01.01, 01.02, 01.03 or 01.04, fresh, chilled or frozen: A. Meat: II. Of bovine animals B. Offals: II. Other: b) Of bovine animals
02.06	Meat and edible meat offals (except poultry liver), salted, in brine, dried or smoked: C. Other: I. Of bovine animals
04.01	Milk and cream, fresh, not concentrated or sweetened
04.02	Milk and cream, preserved, concentrated or sweetened: A. Not containing added sugar: ex II. Milk and cream, in powder or granules: — Intended for human consumption B. Containing added sugar: I. Milk and cream, in powder or granules: a) Special milk for infants, in hermetically sealed containers of a net capacity of 500 g or less and of a fat content, by weight, exceeding 10 % but not exceeding 27 % ex b) Other: — Intended for human consumption
04.03	Butter
04.04	Cheese and curd: A. Emmentaler, Gruyère, Sbrinz, Bergkäse, Appenzell, Vacherin fribourgeois and Tête de moine, not grated or powdered B. Glarus herb cheese (known as Schabziger), made from skimmed milk and mixed with finely-ground herbs C. Blue-veined cheese, not grated or powdered D. Processed cheese, not grated or powdered E. Other: I. Not grated or powdered, of a fat content, by weight, not exceeding 40 % and a water content, calculated by weight of the non-fatty matter:

CCT heading No	Description
	<p>ex a) Not exceeding 47 %: — Excluding curd</p> <p>b) Exceeding 47 % but not exceeding 72 %: 1. Cheddar ex 2. Other: — Excluding curd</p> <p>c) Exceeding 72 %: ex. 1. In immediate packings of a net capacity not exceeding 500 g: — Excluding curd ex. 2. Other: — Excluding curd</p> <p>II. Other: a) Grated or powdered ex b) Other: — Excluding curd</p>

CCT heading No	Description
07.01	<p>Vegetables, fresh or chilled:</p> <p>B. Cabbages, cauliflowers and Brussels sprouts: I. Cauliflowers</p> <p>G. Carrots, turnips, salad beetroot, salsify, celeriac, radishes and similar edible roots: ex II. Carrots and turnips: — Carrots</p> <p>ex H. Onions, shallots and garlic: — Onions and garlic</p> <p>M. Tomatoes</p>
08.02	<p>Citrus fruit, fresh or dried:</p> <p>A. Oranges</p> <p>B. Mandarins (including tangerines and satsumas); clementines, wilkings and other similar citrus hybrids: ex II. Other: — Mandarins (including tangerines and satsumas)</p> <p>C. Lemons</p>
08.04	<p>Grapes, fresh or dried:</p> <p>A. Fresh: I. Table grapes</p>
08.06	<p>Apples, pears and quinces, fresh:</p> <p>A. Apples</p> <p>B. Pears</p>
08.07	<p>Stone fruit, fresh:</p> <p>A. Apricots</p> <p>ex B. Peaches, including nectarines: — Peaches</p>

(dd)

CCT heading No	Description
10.01	Wheat and meslin (mixed wheat and rye): B. Other: ex I. Common wheat, and meslin: — Common wheat of breadmaking quality

3. In accordance with the procedures set out in Article 82 a decision may be made to withdraw from the list of products subject to the STM:

- (a) Products from the wine sector, new potatoes and milk in powder or granules intended for human consumption at the start of the second year following accession and at the start of each of the following years.
- (b) Fruit and vegetables, at the latest nine months before the expiry of the fourth year following accession and of the start of each of the following years.
- (c) The other products referred to in paragraph 2 (b), as from the fifth year following accession and at the start of each following year.

With regard to those products, account will be taken in particular of the situation at the level of the production and marketing structure of the products in question.

4. A decision may be made, in accordance with the procedure laid down in Article 11 of Regulation (EEC) No 2358/71 on the common organization of the market in seeds, the Management Committee set up by that Regulation having competence in the matter, to submit to the STM, for the period 1 March 1986 to 31 December 1989, imports into Spain of certified seed potatoes of lesser quality falling within subheading ex 07.01 A I of the Common Customs Tariff.

5. Should especial difficulties be experienced a decision may be made, at the request of the Kingdom of Spain and in accordance with the procedure laid down in Article 82, to supplement the list of products subject to the STM on import into Spain with regard to those products falling within Regulation (EEC) No 1035/72 not referred to in paragraph 2 (b).

6. The Commission shall submit at the beginning of each year a report to the Council on the functioning of the STM during the previous year.

Article 82

1. An *ad hoc* Committee shall be established consisting of representatives of the Member States and presided over by a representative of the Commission.

2. Within the *ad hoc* Committee the votes of Member States shall be weighted in accordance with Article 148 (2) of the EEC Treaty. The chairman shall not vote.

3. Where the procedure laid down in this Article is to be followed, the chairman shall refer the matter to the *ad hoc* Committee, either on his own initiative or at the request of the representative of a Member State.

4. The representative of the Commission shall submit a draft of the measures to be adopted. The Committee shall deliver its opinion on the draft within a time limit set by the chairman according to the urgency of the matter. An opinion shall be delivered by a majority of 54 votes.

5. The Commission shall adopt the measures and shall apply them immediately, where they are in accordance with the opinion of the Committee. If they are not in accordance with the opinion of the Committee or in the absence of any opinion, the Commission shall forthwith submit to the Council a proposal relating to the measures to be taken. The Council shall adopt the measures on a qualified majority.

If, on the expiry of one month from the date on which the matter was referred to it, the Council has not adopted any measures, the Commission shall adopt the proposed measures and apply them immediately, save in the case where the Council has decided by a simple majority against the said measures.

Article 83

1. At the start of each marketing year, a forward estimate shall be drawn up, following the procedure set out in Article 38 of Regulation No 136/66/EEC or, as the case may be, the corresponding Articles of the other Regulations on the common organization of agricultural markets, for each of the products subject to the STM. For new potatoes the estimate shall be drawn up in accordance with procedure set out in Article 33 of Regulation (EEC) No 1035/72, the Management Committee set up by that Regulation having competence in the matter.

This estimate shall be drawn up on the basis of production and consumption estimates in Spain or in the Community as at present constituted; on the basis of this estimate, a forward timetable shall be drawn up for the marketing year in question in accordance with the same procedure on development in trade and on fixing an indicative import ceiling in the market in question.

A specific estimate shall be drawn up for the period running from 1 March 1986 until the beginning of the 1986/87 marketing year for each of the products or groups of the products.

2. The successive fixing of indicative ceilings must reflect a certain steady progress in relation to traditional trade flows, so as to ensure a harmonious and gradual opening up of the market and the full realization of free movement within the Community on the expiry of the period of application of transitional measures.

To that end, an annual rate of progress for the ceiling shall be determined in accordance with the procedure referred to in paragraph 1. Within the framework of the overall indicative ceiling, ceilings may be fixed corresponding to the different periods of the marketing year in question.

Article 84

1. Until 31 December 1989, when the timetable referred to in Article 83 is drawn up, a 'guide' quantity shall be determined, for imports into Spain:

- of the products referred to in Article 81 (2) (b) (bb), with the exception of those falling within heading ex 04.02 of the Common Customs Tariff,
- the products referred to in Article 81 (2) (b) (dd).

2. The 'guide' quantity applicable to 1986 and its progress for each of the following three years in relation to the previous year shall be:

CCT heading No	Description	Guide quantity	Rate of progress
01.02	Live animals of the bovine species: A. Domestic species: ex II. Other: — Excluding animals for bull fights	20 000 tonnes (of which: — live animals 12 000 head — fresh and chilled meat 2 000 tonnes)	10 %, 12,5 %, 15 %
02.01	Meat and edible offals of the animals falling within heading No 01.01, 01.02, 01.03 or 01.04, fresh, chilled or frozen: A. Meat: II. Of bovine animals B. Offals: II. Other: b) Of bovine animals		
02.06	Meat and edible meat offals (except poultry liver), salted, in brine, dried or smoked: C. Other: I. Of bovine animals		
04.01	Milk and cream, fresh not concentrated or sweetened	200 000 tonnes (of which 40 000 tonnes) for milk and cream in small packings)	10 %, 12,5 %, 15 %
04.03	Butter	1 000 tonnes	15 %, 15 %, 15 %
04.04	Cheese and curd: A. Emmentaler, Gruyère, Sbrinz, Bergkäse, Appenzell, Vacherin fribourgeois and Tête do moine, not grated or powdered	14 000 tonnes	15 %, 15 %, 15 %

CCT heading No	Description	Guide quantity	Rate of progress
04.04 (cont'd)	B. Glarus herb cheese (known as Schabziger), made from skimmed milk and mixed with finely-ground herbs C. Blue-veined cheese, not grated or powdered D. Processed cheese, not grated or powdered E. Other: I. Not grated or powdered, of a fat content, by weight, not exceeding 40 % and a water content, calculated by weight of the non-fatty matter: ex a) Not exceeding 47 %: — Excluding curd b) Exceeding 47 % but not exceeding 72 %: 1. Cheddar ex 2. Other: — Excluding curd c) Exceeding 72 %: ex 1. In immediate packings of a net capacity not exceeding 500 g: — Excluding curd ex 2. Other: — Excluding curd II. Other: a) Grated or powdered ex b) Other: — Excluding curd		
10.01	Wheat and meslin (mixed wheat and rye): B. Other: ex I. Common wheat and meslin: — Common wheat of breadmaking quality	175 000 tonnes	15 %, 15 %, 15 %

A decision may be made, in accordance with the procedure laid down in Article 30 of Regulation (EEC) No 804/68 on the common organization of the market in milk and milk products or, as the case may be, in the corresponding Articles of other common organizations of the market concerned, that the 'guide' quantities referred to above shall be expressed in compliance with the requirements of each common organization of the market taking into account the detailed rules for drawing up the forward estimate referred to in Article 83.

3. If necessary, a division of the 'guide' quantities referred to above between the various products shall be carried out, as the case may be, by following the procedure set out in paragraph 2.

4. During the period concerned, the 'guide' quantity may not be exceeded, unless it is so decided in accordance with, as the case may be, the procedure referred to in paragraph 2.

When such a decision is taken, account shall in particular be taken, in the light of the forward estimate for the product in question, of the trends in the internal

Spanish demand and of the development of market prices in Spain.

Article 85

1. Without prejudice to Article 84 (4), should the examination of developments in intra-Community trade show that a significant increase in imports has taken place or is forecast and if that situation should result in the indicative import ceiling for the product being reached or exceeded for the current marketing year or part thereof, the Commission, at the request of a Member State or on its own initiative, shall decide, in accordance with emergency procedures, on:

- the interim protective measures that are necessary and which shall apply until the entry into force of the definitive measures provided for in paragraph 3,
- convening the Management Committee of the sector concerned, with a view to examining appropriate measures.

2. Should the situation referred to in the preceding paragraph cause a serious disturbance on the market, a Member State may request the Commission to take the interim protective measures referred to in paragraph 1 immediately. To that end, the Commission shall take a decision within 24 hours of receiving the request.

If the Commission does not take a decision within that period, the requesting Member State may take interim protective measures, which shall be immediately notified to the Commission.

These measures shall remain applicable until such time as the Commission has acted on the request referred to in the first subparagraph.

3. Definitive measures shall be adopted as soon as possible in accordance with the procedure set out in Article 38 of Regulation No 136/66/EEC or, as the case may be, in the corresponding Articles of other Regulations on the common organization of agricultural markets.

These measures may include:

- (a) either, the revision of the indicative ceiling, if the market in question has not suffered significant disturbances following the development of imports;
- (b) or, based on the seriousness of the situation, assessed in particular on the basis of the trend in market prices and the quantities forming the subject of trade, the limitation or suspension of imports on to the market of the Community as at present constituted or on to the Spanish market.

The restrictive measures referred to in (b) may only be taken to the extent and for such time as is strictly necessary to put an end to the disturbance. With regard to the Community as at present constituted, those measures may be limited to imports intended for certain of its regions, provided that they include appropriate provisions to avoid deflections of trade.

4. The application of the STM may in no event lead to products coming from Spain or from the Community as at present constituted being treated in a less favourable manner than those coming from third countries benefiting from the most-favoured-nation clause, which are sold in the regions concerned.

Sub-section 5

Other provisions

Article 86

Any stock of products in free circulation in Spanish territory on 1 March 1986 which in quantity exceeds what

may be considered representative of a normal carry-over stock must be eliminated by and at the expense of the Kingdom of Spain under Community procedures to be specified and within time limits to be determined under the conditions provided for in Article 91. The concept of normal carry-over stock shall be defined for each product on the basis of criteria and objectives particular to each common organization of the market.

Article 87

In fixing the level of the various amounts laid down within the common agricultural policy, except for the prices referred to in Article 68, account shall be taken of the compensatory amount applied or, in the absence thereof, of the difference in prices recorded or economically justified and, where appropriate, of the incidence of customs duties, except in the following circumstances:

- where there is no likelihood that trade will be disturbed, or
- where the smooth running of the common agricultural policy requires that this amount, difference or incidence be not taken into account or renders such taking into account undesirable.

Article 88

1. The Council, acting in accordance with the conditions provided for in Article 91, shall adopt the arrangements applicable by the Kingdom of Spain with regard to the Portuguese Republic.

2. The measures necessary in trade between the new Member States and the Community as at present constituted, for the implementation of the arrangements referred to in paragraph 1, shall be adopted, as the case may be, under the conditions laid down in Article 91 or following the procedure laid down in Article 89 (1).

Article 89

1. Except where otherwise provided for in specific cases, the Council, acting by a qualified majority on a proposal from the Commission, shall adopt the provisions necessary for implementing this Chapter.

These provisions may in particular lay down adequate measures to avoid deflection of trade in trade between Spain and the other Member States.

2. The Council, acting unanimously on a proposal from the Commission and after consulting the Assembly, may make the adaptations to the provisions appearing in this Chapter which may prove to be necessary as a result of a modification in Community rules.

Article 90

1. If transitional measures are necessary to facilitate the passage from the existing arrangements in Spain to those resulting from the application of the common organization of the markets as provided for in this Chapter, particularly if for certain products the implementation of the new arrangements on the scheduled date meets with appreciable difficulties in the Community, such measures shall be adopted following the procedure provided for in Article 38 of Regulation No (EEC) 136/66 or, as the case may be, in the corresponding Articles of the other Regulations on the common organization of agricultural markets. Such measures may be taken during the period up to 31 December 1987, but their application may not extend beyond that date.

2. The Council may, acting unanimously on a proposal from the Commission and after consulting the Assembly, extend the period referred to in paragraph 1.

Article 91

1. The transitional measures concerning the application of the acts relating to the common agricultural policy and not specified in this Act of Accession, including structures, which are rendered necessary by accession, shall be adopted before accession in accordance with the procedure provided for in paragraph 3 and shall enter into force at the earliest on the date of accession.

2. The transitional measures referred to in paragraph 1 shall be those mentioned in Articles 75 (3), 80, 86, 88, 126 and 144.

3. The Council, acting by a qualified majority on a proposal from the Commission, or the Commission, taking a decision in accordance with the procedure referred to in Article 90 (1), shall adopt the transitional measures referred to in paragraph 1 according to which of these two institutions adopted the original acts to which they refer.

Section II

Provisions relating to certain common organizations of markets

Sub-section 1

Oils and fats

Article 92

1. For olive oil, the provisions of Articles 68 and 72 shall apply to the intervention price.

2. During the transitional period of 10 years, the price thus fixed for Spain shall be aligned on the level of the common price each year at the beginning of each marketing year in accordance with the following procedures:

- Until the entry into force of the adjustment of the 'acquis communautaire', the price in Spain shall be aligned each year by one-twentieth of the original variation between this price and the common price.
- As from the entry into force of the adjustment of the 'acquis communautaire', the price in Spain shall be corrected by the difference existing between the price in that Member State and the common price, as applicable before each move towards alignment, divided by the number of marketing years still to run until the end of the period of application of the transitional measures; the price resulting from this calculation shall be adapted in proportion to any change in the common price for the marketing year to come.

3. The Council, acting in accordance with the procedure provided for in Article 43 (2) of the EEC Treaty, shall establish that the condition required for the application of the second indent of paragraph 2 is fulfilled. The move towards alignment of the price shall be effected in accordance with the latter provision from the beginning of the marketing year following such establishment.

4. The compensatory amount resulting from application of Article 72 shall be adapted, should the need arise, on the basis of the difference between Community aid for consumption applicable in the Community as at present constituted and in Spain.

Article 93

1. For oil seeds, Article 68 shall apply to the target prices for colza, rape and sunflower seeds and to the guide price for soya beans.

For linseed, the guide price applicable in Spain on 1 March 1986 shall be fixed on the basis of the variation existing between the prices of competitive products in rotation cropping in Spain and in the Community as at present constituted, over a reference period to be determined. However, the guide price to be applied in Spain may not be higher than the common price.

2. For the period during which the transitional measures are applied, the prices thus fixed for Spain shall be aligned on the level of the common prices each year at the beginning of the marketing year. The move towards alignment shall take place in 10 stages, the provisions of Article 70 being applied *mutatis mutandis*.

3. The intervention prices for colza, rape and sunflower seeds and the minimum price for soya beans, applicable in Spain, shall be derived respectively from the target price and the guide price, as referred to in the paragraphs 1 and 2, in accordance with the provisions of the common organization of the market concerned.

4. Until 31 December 1990, in trade in processed oil products falling within Regulation No 136/66/EEC, with the exception of processed olive oil products and with the exception of products falling within heading No 15.13 of the Common Customs Tariff, appropriate measures shall be adopted to take account of the difference in the prices of these oils in Spain and in the Community as at present constituted.

Article 94

1. The Kingdom of Spain shall apply, until 31 December 1990 and in accordance with detailed rules to be determined, a system for the control of:

(a) quantities of products referred to in:

- point (a), excluding soya beans falling within subheading ex 12.01 B of the Common Customs Tariff,
- point (b), excluding products falling within subheadings 15.17 B II and 23.04 B of the Common Customs Tariff,

of Article 1 (2) of Regulation No 136/66/EEC, on the Spanish domestic market, in order to maintain those quantities at a level established on the basis of average consumption reached in Spain during the years 1983 and 1984, that level being adjusted on the basis of foreseeable trends in supply requirements;

(b) the level of consumer prices for the oils referred to in (a) and for margarine, in such a way as to maintain — until 31 December 1990 — in principle the price level, expressed in ECU, reached during the 1984/85 marketing year.

The control system referred to in (a) consists in the replacement on 1 March 1986 of the trade arrangements applied to imports in Spain by a system of quantitative restrictions on imports opened without discrimination between economic operators, both with regard to the Community as at present constituted and to third countries.

2. Until 31 December 1990, the import of soya beans into Spain shall be subject to an undertaking to export the oils obtained from their crushing and products

beyond the quantity admitted on the Spanish market under paragraph 1 (a).

3. Should exceptional circumstances arise, the control system defined in this Article may be amended, for the products subject thereto, to the extent necessary to avoid imbalances on the markets for the various oils.

These amendments shall be adopted in accordance with the procedure laid down in Article 38 of Regulation No 136/66/EEC;

Article 95

1. Community aid for the production of olive oil shall apply in Spain as from 1 March 1986. This aid shall be fixed for the first time and shall be aligned, for the period during which the transitional measures are applied, on the level of aid granted in the Community as at present constituted, the provisions of Article 79 being applied *mutatis mutandis*.

Community aid for the consumption of olive oil shall be introduced in Spain, from 1 January 1991, following a timetable to be determined, to the extent necessary to reach the common level by the end of the period during which transitional measures are applied.

2. Aid for colza, rape and sunflower seeds, for soya beans and for linseed, produced in Spain, shall be:

- introduced in Spain as from the beginning of the first marketing year following accession, and
- increased thereafter, during the period of application of the control mechanism referred to in Article 94 (1),

on the basis of the move towards alignment, as the case may be, of the target price or the guide price applicable in Spain on the level of the common price.

On expiry of the period referred to in the foregoing subparagraph, the aid granted in Spain shall be equal to the difference between the target price or the guide price applicable in that Member State and the price on the world market, with this difference being reduced by the incidence of the customs duties applied by the Kingdom of Spain on the import of products from third countries.

3. Aid for the seeds and beans referred to in paragraph 2, produced in Spain and processed in the Community as at present constituted, and the aid for the same seeds and beans produced in the Community as at present constituted and processed in Spain, shall be

adjusted to take account of the respective difference between the level of the prices of these seeds and beans and that of seeds and beans imported from third countries.

4. Furthermore, when the aid for colza, rape and sunflower seeds is calculated, account shall be taken of any differential amount which may be applicable.

Article 96

During the 1986/87 to 1994/95 marketing years, specific guarantee thresholds shall be fixed for colza and rape seeds and for sunflower seeds produced in Spain.

These specific guarantee thresholds shall be determined on the basis of criteria actually comparable to those adopted for the fixing of guarantee thresholds in the Community as at present constituted, taking into consideration the highest level of production recorded during one of the following marketing years: 1982/83, 1983/84 and 1984/85.

Where a specific guarantee threshold is exceeded, the co-responsibility penalties shall be applied according to procedures which are similar to those applied in the Community as at present constituted and with the same ceiling.

Article 97

1. Once the control system referred to in Article 94 has expired, the Kingdom of Spain shall apply the preferential, contractual or autonomous arrangements applied by the Community with regard to third countries in the olive oil sector, the oil seeds and oil fruits sector and in that of products derived therefrom.

2. From 1 January 1991, the Kingdom of Spain shall apply a duty reducing the variation between the rate of duty actually applied on 31 December 1990 and the preferential rate of duty in accordance with the following timetable:

- on 1 January 1991, the variation shall be reduced to 83,3 % of the initial variation,
- on 1 January 1992, the variation shall be reduced to 66,6 % of the initial variation,
- on 1 January 1993, the variation shall be reduced to 49,9 % of the initial variation,
- on 1 January 1994, the variation shall be reduced to 33,2 % of the initial variation,

- on 1 January 1995, the variation shall be reduced to 16,5 % of the initial variation.

The Kingdom of Spain shall apply the preferential rates in their entirety from 1 January 1996.

Sub-section 2

Milk and milk products

Article 98

1. Until the first move towards alignment of prices, the intervention prices for butter and for skimmed-milk powder to be applied in Spain shall be fixed at a level which corresponds to that of prices recorded in this Member State under the previous national arrangements for a representative period to be determined.

Subsequently the difference which exists between these prices and the corresponding prices calculated according to the rules provided for in the common organization of the markets on the basis of the guaranteed price for milk applicable in Spain throughout the representative period referred to in the first subparagraph shall be progressively reduced so that it is equal to half the initial difference on the fourth move towards alignment and totally eliminated on the seventh such move.

Article 70 shall apply *mutatis mutandis*; Article 72 shall also apply.

However, the compensatory amount for skimmed milk and skimmed-milk powder intended as a feedingstuff for animals may be reduced in accordance with the procedure laid down in Article 30 of Regulation (EEC) No 804/68.

2. The compensatory amount for milk products other than butter and skimmed-milk powder shall be fixed with the help of coefficients to be determined.

Article 99

1. Subject to the second subparagraph, the Kingdom of Spain may, until 31 December 1986, maintain national exclusive dealing concessions in favour of dairy plants as far as the marketing of pasteurized fresh milk produced in Spain is concerned.

These exclusive dealing concessions may not impede the free marketing in Spain of pasteurized fresh milk imported from the present Member States.

2. The Kingdom of Spain shall inform the Commission, at the latest three months before the date of accession, of the measures taken pursuant to paragraph 1.

Sub-section 3

Beef and veal

Article 100

Article 68 shall apply to the guaranteed prices in Spain and to the intervention purchasing prices in the Community, as at present constituted, valid for comparable qualities determined on the basis of the Community grading scale for carcasses of adult bovine animals. Articles 70 and 72 shall apply to the intervention purchasing price applicable in Spain.

Article 101

The compensatory amount for the other products referred to in Article 1 (1) (a) of Regulation (EEC) No 805/68 shall be fixed with the help of coefficients to be determined.

Article 102

Article 79 shall apply to the premium for maintaining suckler cows.

Sub-section 4

Tobacco

Article 103

1. Article 68 and eventually Article 70 shall apply to the intervention price fixed for each variety or group of varieties.

2. The norm price corresponding to the intervention price referred to in paragraph 1 shall be fixed in Spain for the first harvest following accession at a level that shall reflect the relationship existing between the norm price and the intervention price, in accordance with the second subparagraph of Article 2 (2) of Regulation (EEC) No 727/70 on the common organization of the market in raw tobacco.

Sub-section 5

Flax and hemp

Article 104

Article 79 shall apply to the aid for fibre flax and hemp.

Sub-section 6

Hops

Article 105

The aid to hop producers referred to in Article 12 of Regulation (EEC) No 1696/71 shall be applied in full in Spain as from the first harvest following accession.

Sub-section 7

Seeds

Article 106

Article 79 shall apply to the aid for the seeds referred to in Article 3 of Regulation (EEC) No 2358/71.

Sub-section 8

Silkworms

Article 107

Article 79 shall apply to aid for silkworms.

Sub-section 9

Sugar and isoglucose

Article 108

Articles 68, 70 and 72 shall apply to the intervention price for white sugar and to the basic price for beet.

However, the compensatory amount shall be corrected, to the extent necessary for the smooth functioning of the common organization of the market, by the incidence of the compensation levy for storage costs.

Article 109

For raw sugar and for products, other than fresh beet, in Article 1 (1) (b) and for products in Article 1 (1) (d) and (f) of Regulation (EEC) No 1785/81 on the common organization of the markets in sugar, compensatory amounts may be fixed to the extent necessary to avoid all risk of disturbance in trade between the Community as at present constituted and Spain.

In that case, compensatory amounts shall be derived from the compensatory amount applicable to the basic product in question with the help of coefficients to be determined.

Article 110

Until 31 December 1995 at the latest, the Kingdom of Spain shall be authorized to grant a national adjustment aid to producers of A and B beet as defined in Regulation (EEC) No 1785/81. The amount of this aid may not exceed 23,64 % of the basic price of beet fixed by the Community for the marketing year in question.

Sub-section 10

Cereals

Article 111

1. In the cereals sector, Articles 68, 70 and 72 shall apply to the intervention prices.

2. With regard to the cereals for which an intervention price is not fixed, the compensatory amount applicable shall be derived from that applicable to barley, taking into consideration the relationship which exists between the threshold prices of the cereals concerned.

3. For the products referred to in Article 1 (c) of Regulation (EEC) No 2727/75 on the common organization of the market in cereals, the compensatory amount shall be derived from that applicable to the cereals to which they are related, with the help of coefficients to be determined.

Article 112

The minimum specific weight of barley which may be accepted for intervention in Spain shall be fixed respectively:

- for the period 1 March 1986 until the end of the 1986/87 marketing year, at 60 kilograms per hectolitre,
- for the 1987/88 marketing year, at 61 kilograms per hectolitre,
- for the 1988/89 marketing year, at 62 kilograms per hectolitre.

The reduction made to the intervention price for barley applicable in Spain shall be:

- 4 % for the period 1 March 1986 until the end of the 1986/87 marketing year,
- 3 % for the 1987/88 marketing year,
- 2 % for the 1988/89 marketing year.

Article 113

Article 79 shall apply to the aid to durum wheat referred to in Article 10 of Regulation (EEC) No 2727/75.

Sub-section 11

Pigmeat

Article 114

1. The compensatory amount applicable per kilogram of pig carcase shall be calculated on the basis of the compensatory amounts applicable to the quantity of feed-grain necessary for the production in the Community of one kilogram of pigmeat. However, during the first four marketing years following accession, this amount shall not be applied.

2. For the products other than pig carcasses, referred to in Article 1 (1) of Regulation (EEC) No 2759/75 on the common organization of the market in pigmeat, the compensatory amount shall be derived from that referred to in paragraph 1, with the help of coefficients to be determined.

3. Until 31 December 1989, where there is a risk of too great an intervention being carried out in Spain under aid to private storage or, if need be, public purchases decided on pursuant to Article 20 of Regulation

(EEC) No 2759/75, a decision may be made, in accordance with the procedure laid down in Article 24 of that Regulation, to take the necessary restrictive measures on imports of any provenance, in that Member State, in the pigmeat sector.

Sub-section 12

Eggs

Article 115

1. The compensatory amount applicable per kilogram of eggs in shell shall be calculated on the basis of the compensatory amounts applicable to the quantity of feed-grain necessary for the production in the Community of one kilogram of eggs in shell.
2. The compensatory amount applicable per egg for hatching shall be calculated on the basis of the compensatory amounts applicable to the quantity of feed-grain necessary for the production in the Community of one egg for hatching.
3. For the products referred to in Article 1 (1) (b) of Regulation (EEC) No 2771/75 on the common organization of the market in eggs, the compensatory amount shall be derived from that for eggs in shell, with the help of coefficients to be determined.

Sub-section 13

Poultry

Article 116

1. The compensatory amount applicable per kilogram of slaughtered poultry shall be calculated on the basis of the compensatory amounts applicable to the quantity of feed-grain necessary for the production in the Community of one kilogram of slaughtered poultry, differentiated on the basis of species.
2. The compensatory amount applicable per chick shall be calculated on the basis of the compensatory amounts applicable to the quantity of feed-grain necessary for the production in the Community of one chick.
3. For the products referred to in Article 1 (2) (d) of Regulation (EEC) No 2777/75 on the common organization of the market in poultrymeat, the compensatory amount shall be derived from the compensatory amount for slaughtered poultry, with the help of coefficients to be determined.

Sub-section 14

Rice

Article 117

1. For rice, Articles 68, 70 and 72 shall apply to the intervention price of paddy rice.
2. The compensatory amount for husked rice shall be that applicable to paddy rice, converted by means of the conversion rate referred to in Article 1 of Regulation No 467/67/EEC.
3. For wholly milled rice, the compensatory amount shall be that applicable to husked rice, converted by means of the conversion rate referred to in Article 1 of Regulation No 467/67/EEC.
4. For semi-milled rice, the compensatory amount shall be that applicable to wholly milled rice, converted by means of the conversion rate referred to in Article 1 of Regulation No 467/67/EEC.
5. For the products referred to in Article 1 (1) (c) of Regulation (EEC) No 1418/76 on the common organization of the market in rice, the compensatory amount shall be that applicable to the products to which they are related, with the help of coefficients to be determined.
6. The compensatory amount for broken rice shall be fixed at a level that takes into account the difference existing between the supply price in Spain and the threshold price.

Sub-section 15

Products processed from fruit and vegetables

Article 118

For the products benefiting from the aid arrangements provided for in Article 3 of Regulation (EEC) No 516/77 on the common organization of the market in fruit and vegetable processed products, the following provisions shall apply in Spain:

1. Until the first move towards alignment of the prices referred to in Article 70, the minimum price referred to in Article 3b of Regulation (EEC) No 516/77 shall be established on the basis:
 - of the price fixed in Spain under the previous national arrangements for the product intended for processing, or

— in the absence of such a price, of the prices paid in Spain to producers for the product intended for processing, as recorded during a representative period to be determined.

2. Where the minimum price referred to in paragraph 1 is:

- lower than the common price, the price in Spain shall be modified at the beginning of each marketing year following accession, according to the procedures provided for in Article 70,
- higher than the common price, the common price shall be adopted on accession for Spain.

3. (a) For processed tomato products for the first four marketing years following accession, the amount of Community aid granted in Spain shall be derived from the aid calculated for the Community as at present constituted, bearing in mind the difference of the minimum producer prices resulting from the application of paragraph 2, before this last mentioned aid is reduced possibly as a result of the guarantee threshold fixed for these products in the Community as at present constituted being exceeded.

Where the threshold in the Community as at present constituted is exceeded, if this proves necessary to ensure normal conditions for competition between Spanish industries and those of the Community, it shall be decided, in accordance with the procedure provided for in Article 20 of Regulation (EEC) No 516/77, that a compensatory amount, at the most equal to the difference between the aid fixed for Spain and that which would have been derived from the fixed Community aid, will be applied in accordance with Article 72 (3) (a) and levied by the Kingdom of Spain on exports to third countries. However, on the expiry of the arrangements referred to in Regulation (EEC) No 1320/85, no compensatory amount shall be levied where it is proved that the Spanish product did not benefit from Community aid granted in Spain.

In no case may the aid applicable in Spain exceed the amount of aid granted in the Community as at present constituted.

(b) During the first four marketing years following accession, the grant of Community aid in Spain shall be limited, for each marketing year, to a quantity of processed products corresponding to a quantity of fresh tomatoes of:

- 370 000 tonnes for the manufacture of tomato concentrate,

- 209 000 tonnes for the manufacture of whole peeled tomatoes,

- 88 000 tonnes for the manufacture of other tomato products.

At the end of this period, the quantities fixed above, adjusted on the basis of any alteration to Community thresholds made during that period, shall be taken into consideration for fixing Community thresholds.

4. During the fifth and sixth marketing years following accession, for tomato based products, and for the other products during the six marketing years following accession, the amount of the Community aid granted in Spain shall be derived from the aid fixed for the Community as at present constituted, bearing in mind the difference of the minimum prices resulting from the application of paragraph 2.

However, for products other than tomato products, in cases where the processing costs recorded in Spain for a product during a representative period to be determined, under the previous national arrangements, are lower by at least 10 % than the processing costs obtaining in the Community as at present constituted, the aid granted in Spain for this product shall be derived bearing in mind also the difference in the processing costs recorded. The processing costs recorded in Spain shall be progressively aligned on the costs recorded in the Community as at present constituted, in accordance with the same rules as those referred to in Article 70 for the move towards alignment of prices.

5. Community aid shall be applied in full in Spain as from the beginning of the seventh marketing year following accession.

6. For peaches in syrup, for the first four marketing years following accession, the grant of Community aid in Spain shall be limited to a quantity of 80 000 tonnes of the finished product expressed in net weight.

7. For the purposes of applying Article 1, the minimum price, the processing costs and the aid obtaining in the Community as at present constituted shall refer to the amounts obtaining in the Community as at present constituted, excluding Greece.

Article 119

The minimum price and the financial compensation applicable in Spain, as provided for in Articles 2 and 3 of Regulation (EEC) No 2601/69 laying down special

measures to encourage the processing of certain varieties of oranges and in Articles 1 and 2 of Regulation (EEC) No 1035/77 laying down special measures to encourage the marketing of processed lemon products, shall be fixed as follows:

1. Until the first move towards the alignment of the prices referred to in Article 70, the minimum price applicable shall be established on the basis of the prices paid in Spain to producers of citrus fruits intended for processing, recorded over a representative period to be determined. The financial compensation shall be that of the Community as at present constituted less, where appropriate, the difference between on the one hand the common minimum price and on the other the minimum price applicable in Spain.
2. For subsequent price fixing, the minimum price applicable in Spain shall be aligned on the common minimum price according to the provisions of Article 70. The financial compensation applicable in Spain at each stage of the move towards alignment shall be that of the Community as at present constituted less, where appropriate, the difference between on the one hand the common minimum price and on the other the minimum price applicable in Spain.
3. However, where the minimum price resulting from the application of paragraph 1 or 2 is higher than the common minimum price, the latter price may be adopted definitively for Spain.
4. For the first four marketing years following accession, the quantities eligible for aid for processing shall be limited to a quantity of processed products corresponding to a quantity of raw materials amounting to:
 - 30 000 tonnes for oranges of the 'bianca comune' variety,
 - 7 600 tonnes for blood oranges,
 - 26 000 tonnes for lemons.

Sub-section 16

Dried fodder

Article 120

1. The guide price referred to in Article 4 of Regulation (EEC) No 1117/78 on the common organization of the market in dried fodder, applicable in Spain on 1 March 1986, shall be fixed on the basis of the variations which exist between the prices of competitive products in rotation cropping in Spain and in the Community as at present constituted over a reference period to be determined.

Article 70 shall apply to the guide price calculated in accordance with the first subparagraph. However, the guide price to be applied in Spain may not exceed the common guide price.

2. The supplementary aid applicable in Spain shall be adjusted by an amount equal to:

- the difference which exists, where appropriate, between the guide price in Spain and the common guide price, multiplied by the percentage referred to in Article 5 (2) of Regulation (EEC) No 1117/78, and
- the incidence of customs duties applicable in Spain on the import of the said products from third countries.

3. Article 79 shall apply to the flat-rate aid referred to in Article 3 of Regulation (EEC) No 1117/78.

Sub-section 17

Peas, field beans and sweet lupins

Article 121

1. For peas, field beans and sweet lupins used in the manufacture of animal feed, Articles 68 and 70 shall apply to the activating threshold price. For peas and field beans not so used, the guide price applicable in Spain on 1 March 1986 shall be fixed on the basis of the variation which exists between the prices of competitive products in rotation cropping in Spain and in the Community as at present constituted over a reference period to be determined.

Article 70 shall apply to the guide price for these products. However, the guide price to be applied in Spain may not be higher than the common guide price.

2. For products harvested in Spain and used in the manufacture of animal feed, falling within Regulation (EEC) No 1431/82 laying down special measures for peas, field beans and sweet lupins, the amount of the aid referred to in Article 3 (1) of that Regulation shall be reduced by the incidence of the difference which exists, where appropriate, between the threshold activating price applied in Spain and the common price.

Without prejudice to the application of the first subparagraph, the amount of the aid concerned for a product processed in Spain shall be reduced by the incidence of the customs duties applied in Spain on the import of soya cake from third countries.

The deductions referred to in the first and second subparagraphs shall be the result of the application of the percentages referred to in Article 3 (1) of Regulation (EEC) No 1431/82.

3. The amount of the aid referred to in Article 3 (2) of Regulation (EEC) No 1431/82 for peas and field beans harvested in Spain and used in human or animal consumption otherwise than as provided for in paragraph 1 of that Article, shall be reduced by an amount equal to the difference which exists, where one arises, between the guide price applied in Spain and the common guide price.

Without prejudice to the application of the first subparagraph, the amount of the aid concerned for a product processed in Spain shall be reduced by the incidence of the customs duties applied in Spain on the import of these products from third countries.

Sub-section 18

Wine

Article 122

1. Until the first move towards alignment of the prices referred to in Article 70:

- the guide price applicable in Spain for white table wine shall be fixed at a level in such a way that the relationship between the purchase price for table wine to be delivered for compulsory distillation in that Member State and the guide price is 50 %,
- the guide price applicable in Spain for red table wine shall be derived from the guide price for white table wine by applying the same relationship as that existing in the Community as at present constituted between the guide prices of table wines of types A I and R I,
- the purchase price for the table wines referred to in the first indent shall be fixed at the level of the regulatory compulsory distillation price applied in Spain under the previous national arrangements over a representative period to be determined,
- the guaranteed minimum price referred to in Article 3a of Regulation (EEC) No 337/79 shall be equal to 72 % of the guide price of each type of table wine,
- the price of wine which undergoes the distillation referred to in Article 12a of Regulation (EEC) No 337/79 shall be equal to:
 - 80 % of the guide price for white table wine,
 - 81,5 % of the guide price for red table wine.

2. Article 70 shall apply to the guide price for table wines. During the 1986/87 to 1990/91 wine growing years:

- the relationship between the guide price and the prices referred to in the third, fourth and fifth indents of paragraph 1 applicable in Spain shall be aligned in stages, by equal instalments, on the relationship which exists between these prices in the Community as at present constituted,
- without prejudice to the first indent of Article 41 (6) of Regulation (EEC) No 337/79, as concerns the relationship between the guide price and the price referred to in the third indent of paragraph 1, the level of the price corresponding to the 40 % referred to in the second indent of Article 41 (6) of Regulation (EEC) No 337/79 shall be attained in accordance with the rate referred to in the first indent of this paragraph.

Article 123

1. A mechanism for regulatory amounts shall be set up, on import into the Community as at present constituted, for the products referred to in paragraph 2 coming from Spain which are subject to reference price fixing under the common organization of the market.

2. This mechanism shall be governed by the following rules:

- (a) For table wines, a regulatory amount equal to the difference between the guide prices in Spain and in the Community as at present constituted shall be levied. However, the level of this amount may be adapted according to the procedure provided for in Article 67 of Regulation (EEC) No 337/79 to take account of the situation of market prices as assessed according to the different categories of wines and on the basis of their quality.
- (b) For wines with an appellation as to origin and for the other products likely to create disturbances on the market, a regulatory amount may be fixed according to the procedure provided for under (a). This regulatory amount shall be derived from that applicable to table wines according to procedures to be determined.

3. The regulatory amount shall be fixed at a level which ensures conditions under which treatment is no less favourable than those in force under the arrangements prior to accession. To this end, this amount shall be calculated in such a way that the amount obtained by increasing the guide price in Spain for the product concerned by the regulatory amount and by the customs duty applicable to it does not exceed the reference price in force the product during the wine growing year concerned.

4. Bearing in mind the special situation of the market in the various products referred to in paragraph 2, a decision may be taken according to the procedure provided for in Article 67 of Regulation (EEC) No 337/79, to fix a regulatory amount for the export of

one or more of these products from the Community as at present constituted to Spain.

The amount shall be fixed at a level ensuring a normal trade pattern between the Community as at present constituted and Spain, which does not create any disturbances on the Spanish market for the products concerned.

5. The regulatory amount granted shall be financed by the Community by means of the Guarantee Section of the European Agricultural Guidance and Guarantee Fund.

Article 124

For the purposes of applying, until the 1989/90 marketing year expires, the compulsory distillation referred to in Article 41 of Regulation (EEC) No 337/79, the amount of average production of table wines and of products upstream of the table wine intended for the wine making stage, obtained in the various production regions in Spain over the three consecutive reference years, shall be fixed at 27,5 million hectolitres.

Article 125

1. During the period 1 March 1986 to 31 December 1989, coupage of a wine suitable for yielding white table wine or of a white wine with a wine suitable for yielding a red table wine or with a red table wine shall be allowed in Spanish territory. The product of this coupage may circulate only in Spanish territory.

2. For the period referred to in paragraph 1, coupage, in the Community as at present constituted, of Spanish wines other than white table wines, with wines of the other Member States, shall be prohibited, save in exceptional cases to be determined.

During this period the Spanish wines referred to above may form the subject of trade with the other Member States only on condition that they are made subject to provisions enabling their origin to be determined and their commercial movements to be followed.

Article 126

1. Until the end of 1995, table wines coming from areas under vines on 1 January 1985 in the regions of Asturias, Cantabria, Galicia, Guipúzcoa and Vizcaya, and for which the list is to be determined under the conditions laid down in Article 91, may have an actual alcoholic strength of not less than 7 % vol.

For wines whose actual alcoholic strength is less than 9 % vol, an indication of that strength must appear on the labelling.

2. Table wines referred to in paragraph 1 may circulate only in Spanish territory.

Article 127

Until 31 December 1990, table wines produced in Spain and released to the market of that Member State may have a total acidity content of not less than 3,5 grams per litre, expressed in tartaric acid.

Article 128

Until the end of the 1992/93 marketing year, the amount, applicable in Spain, of aid for concentrated grape musts and rectified concentrated grape musts, referred to in Article 14 of Regulation (EEC) No 337/79, shall be fixed taking into account the difference in cost, for that Member State, between the enrichment obtained from the abovementioned products and the enrichment obtained from sucrose.

Article 129

Until 31 December 1995, the use of the composite terms British Sherry, Irish Sherry and Cyprus Sherry shall be authorized on the domestic markets of the United Kingdom and Ireland. In 1995, the Council shall review these arrangements and decide under Article 43 of the Treaty establishing the EEC on any modifications to them on the basis of proposals from the Commission taking account of the interests of all concerned.

Sub-section 19

Sheepmeat and goatmeat

Article 130

In the sheepmeat sector, Article 68 shall be applicable to the basic price.

Section III

Fruit and vegetables

Article 131

Fruit and Vegetables falling within Regulation (EEC) No 1035/72 shall be subject to specific transitional arrangements, which shall consist of two phases:

- the first phase, called the verification of convergence phase, shall begin on 1 March 1986 and end on 31 December 1989,
- the second phase shall begin on 1 January 1990 and end on 31 December 1995.

The transition from the first to the second phase shall take place automatically.

Sub-section 1

First phase

A. *Spanish domestic market*

Article 132

1. During the first phase, the Kingdom of Spain shall be authorized to maintain, for the products referred to in Article 131, the rules in force under its previous national arrangements for the organization of its domestic agricultural market, under the conditions laid down in Articles 133 to 135.

2. As a consequence thereof, and by way of derogation from Article 394, the application in Spain of the Community rules on the organization of the internal market shall be postponed until the end of the first phase.

Furthermore the application to the Community as at present constituted and to the Kingdom of Spain of amendments made to the Community rules under Article 396 shall be postponed until the end of the first phase.

Article 133

1. In order that the Spanish fruit and vegetables sector may be harmoniously and completely integrated into the framework of the common agricultural policy at the end of the first phase, the Kingdom of Spain shall progressively adjust the organization of its domestic market on the basis of the general objectives defined in paragraph 2.

2. The general objectives to be achieved shall be the following:

- the progressive application of quality standards to all the products concerned and strict application of the requirements arising therefrom,
- the development of producer groups within the meaning of Community rules,

- the setting up of a body and creation of a material and human infrastructure suitable for carrying out public intervention operations provided for under Community rules,
- the setting up of a network for the daily recording of prices on representative markets to be defined on the basis of the various products,
- the liberalization of trade with a view to introducing a system of free competition and of free access to the Spanish market and of adaptation of the 'sectoral trade adjustments' to exports in order to make them compatible with the requirements of freedom of movement.

3. In order to favour the realization of the general objectives:

- (a) the Community rules in the socio-structural field, including those relating to producer organizations shall apply in Spain from accession;
- (b) the Community shall participate in financing intervention operations carried out in Spain during the first phase by producer organizations for products complying with common quality standards.

However, the rate of this Community financial participation shall be limited for each product to the rate of production covered by producer organizations in Spain, which are recognized by the Commission as complying with Community rules both with regard to the terms of their constitution and the conditions of their operation.

The Commission shall record for each marketing year the rate of cover referred to in the previous subparagraph; to that end it shall carry out on-the-spot checks in cooperation with the Spanish authorities.

Article 134

1. In order to realize the general objectives, the Commission shall, during the interim period and in close cooperation with the Spanish authorities, draw up an action programme.

2. Thereafter the Commission shall closely follow the development of the situation in Spain in the light of:

- progress made in the realization of the objectives fixed,
- results obtained by the implementation of horizontal or specific structural measures.

3. The Commission shall express its opinion on that development in reports that it shall forward to the Council:

- at the end of the interim period with a view to establishing a record of the development that occurred before the date of accession,

- in good time before the end of the fourth year following accession,
- at any other time it may deem it useful or necessary.

4. Taking special account of the Council's discussions on the reports referred to in paragraph 3, the Commission may, if necessary, make recommendations to the Kingdom of Spain with regard to measures that should be undertaken in order to achieve the objectives in question.

Article 135

During the first phase, the Kingdom of Spain shall apply the following disciplines:

1. A price discipline:

(a) The Kingdom of Spain shall fix, on accession, institutional prices for the products for which common prices exist in accordance with criteria that are as close as possible to those defined under the common organization of markets on the basis of a reference period to be determined at a level corresponding to economic realities.

(b) Where these Spanish prices, expressed in ECU, are less than or equal to the common prices, the annual price increases may not, as a rule, exceed in value the increase in common prices.

In no event may the Spanish prices exceed the level of common prices.

(c) Where the Spanish prices, expressed in ECU, are higher than the common prices, they may not be increased in relation to their previous level. Furthermore the Kingdom of Spain shall adjust its prices to the extent necessary to avoid an increase in the variation between its prices and the common prices.

(d) The Kingdom of Spain may adjust its prices where market interventions reach an unjustified volume. In that case the adjusted price shall replace the original price for the application of the rules appearing in (b) and (c).

(e) The Commission shall ensure the observance of the rules referred to above. Any overrun of the price level resulting from the application of these rules shall not be taken into consideration for the determination of the price level to be adopted as the starting level for moves towards price alignment during the second phase referred to in Article 148.

2. An aid discipline:

Under this discipline, the Kingdom of Spain shall be authorized to maintain its national aid during the first phase.

However, during that period, the Kingdom of Spain shall ensure that a certain dismantling of national aids which do not comply with Community law takes place and that the Community aid plan is progressively introduced in the organization of its domestic market without the level of such aids exceeding the common level.

3. A production discipline:

Under this discipline, the Kingdom of Spain shall apply the same production disciplines as those which are, where appropriate, applicable in the other Member States or in those Member States which find themselves in a comparable situation with regard to such a discipline.

B. *Arrangements applicable in trade between the Community as at present constituted and Spain*

Article 136

1. Subject to Articles 75 and 137 to 139, the Kingdom of Spain shall be authorized to apply in its trade with the Community as at present constituted, during the first phase, for the products referred to in Article 131, the arrangements in force before its accession for that trade, both with regard to imports and exports.

2. During the first phase, and subject to Articles 75 (2) and 140, the Community as at present constituted shall apply, to the import of the products referred to in Article 131 coming from Spain, the arrangements which it applied to Spain before accession.

3. During the first phase, and subject to Article 141, the Community as at present constituted shall apply, to the export of the products referred to in Article 131 to Spain, the arrangements which it applies to exports to third countries.

Article 137

1. Subject to the provisions of paragraph 2, the Kingdom of Spain shall, from 1 March 1986, eliminate the

application of all quantitative restrictions and all measures having equivalent effect and all charges having equivalent effect to customs duties on imports of products referred to in Article 131 coming from the Community as at present constituted.

2. Until 31 December 1989, the Kingdom of Spain may maintain quantitative restrictions on imports coming from the Community as at present constituted of the following products and for periods of application during the marketing year to be determined:

CCT heading No	Description
07.01	Vegetables, fresh or chilled: B. Cabbages, cauliflowers and Brussels sprouts: I. Cauliflowers G. Carrots, turnips, salad beetroot, salsify, celeriac, radishes and similar edible roots: ex II. Carrots and turnips: — Carrots ex H. Onions, shallots and garlic: — Onions and garlic M. Tomatoes
08.02	Citrus fruit, fresh or dried: A. Oranges B. Mandarins (including tangerines and satsumas); clementines, wilkings and other similar citrus hybrids: ex II. Other: — Mandarins (including tangerines and satsumas) C. Lemons
08.04	Grapes, fresh or dried: A. Fresh: I. Table grapes
08.06	Apples, pears and quinces, fresh: A. Apples B. Pears
08.07	Stone fruit, fresh: A. Apricots ex B. Peaches, including nectarines: — Peaches

3. (a) The quantitative restrictions referred to in paragraph 2 shall consist of quotas opened without discrimination between economic operators.

(b) The initial quota for each product expressed in volume terms shall be fixed for 1986:

— either at 3% of the average of Spanish production, over the past three years before accession for which statistics are available,

— or at the average of Spanish imports made over the past three years before accession for which statistics are available, if this latter criterion results in a greater volume.

(c) The minimum rate of progressive increase of the quotas shall be 10% at the beginning of each year.

The increase shall be added to each quota and the following increase shall be calculated on the total figure obtained.

(d) Where imports into Spain during two consecutive years are less than 90% of the annual quota opened, the Kingdom of Spain shall abolish the quantitative restrictions in force.

(e) For the period 1 March to 31 December 1986,

the applicable quota shall be equal to the initial quota reduced by one-sixth.

4. Within the framework of the quantitative restric-

tions referred to in paragraph 2, imports into Spain of the following products shall be subject to the application of a timetable containing import quantities defined in relation to the quota fixed for each year:

CCT heading No	Description	Quantity expressed as a percentage of the annual quota
08.06	Apples, pears and quinces, fresh: A. Apples: ex I. Cider apples in bulk from 16 September to 15 December — From 16 September to 30 November II. Other: ex a) From 1 August to 31 December — From 1 September to 30 November	15 %
	B. Pears: ex I. Perry pears in bulk from 1 August to 31 December: — From 1 August to 16 December II. Other: c) From 16 to 31 July ex d) From 1 August to 31 December — From 1 August to 16 December	25 %
08.07	Stone fruits, fresh: ex A. Apricots: — From 1 May to 31 July ex B. Peaches, including nectarines: — Peaches from 15 June to 15 September	25 % 25 %

Article 138

During the first phase, the Kingdom of Spain shall not, in principle, grant for the products referred to in Article 131 exported to the present Member States, export aids or subsidies.

However, where the grant of such aids or subsidies appears necessary, the amount thereof shall be limited to not more than the variation between institutional prices or, in the absence thereof, to the variation between prices recorded in Spain and in the Community as at present constituted and, where appropriate, to the amount of customs duty.

Such aids or subsidies may not be fixed until the consultation procedure referred to in Article 142 has taken place.

Article 139

1. The Kingdom of Spain shall from 1 March 1986 eliminate the application of all quantitative restrictions or all measures having equivalent effect on exports of products referred to in Article 131 to the Community as at present constituted.

2. However, during the first phase, the Kingdom of Spain may maintain the sectoral trade adjustments that it applies to exports whilst adapting them during that phase so as to make them compatible with the requirements of freedom of movement at the end of that phase.

Article 140

1. Notwithstanding Article 136 (2), any countervailing charges on the import of products from Spain, resulting from the application of Regulation (EEC) No 1035/72 shall be reduced by:

- 2 % in the first year,
- 4 % in the second year,
- 6 % in the third year,
- 8 % in the fourth year,

following the date of accession.

2. In trade between the Community as at present constituted and third countries, during the first phase, the prices of Spanish products shall not be used for the purpose of calculating reference prices.

Article 141

1. During the first phase, the Community as at present constituted shall not, in principle grant export refunds on exports of products referred to in Article 131 to Spain.

However, where the granting of such refunds appears necessary the amount thereof shall be limited to not more than the variation between institutional prices or, in the absence thereof, to the variation between prices recorded in the Community as at present constituted and Spain and, where appropriate, to the amount of customs duty.

Such refunds may not be fixed until the consultation procedure referred to in Article 142 has taken place.

2. The refunds referred to in this Article shall be financed by the Community under the Guarantee Section of the European Agricultural Guidance and Guarantee Fund.

Article 142

The implementation by the Kingdom of Spain of the aids or subsidies referred to in Article 138 or by the Community of the refunds referred to in Article 141 shall be subject to prior consultations which shall take place in accordance with the following procedure:

1. Any proposal for fixing:
 - a subsidy for exports from Spain to the Community as at present constituted or to third countries, or
 - a refund for exports from the Community as at present constituted to Spain,

shall form the subject of an exchange of views within the framework of periodical meetings of the Management Committee set up by Regulation (EEC) No 1035/72.

2. The Commission representative shall submit the proposal referred to in point 1 for examination; this examination shall concern itself in particular with the economic aspect of the exports envisaged and with the situation and the level of prices on the Spanish market, on that of the Community as at present constituted or on the world market.
3. The Committee shall deliver an opinion on the proposal within a time limit which the Chairman may lay down according to the urgency of the matter. The opinion shall be delivered by a majority of 54 votes.

The opinion shall be forthwith forwarded to the competent authority for fixing, namely the Kingdom of Spain or the Commission, as the case may be.

*C. Arrangements applicable in trade between Spain and third countries**Article 143*

For the products referred to in Article 131 and subject to the provisions referred to in Article 137, the Kingdom of Spain shall apply, from 1 March 1986, the Community rules on the arrangements applicable to importation into the Community of products imported from third countries.

However, in respect of reference prices, the Kingdom of Spain shall apply to imports from third countries the arrangements applied to it by the Community — as at present constituted under Article 140 (1).

Article 144

Until 31 December 1989, the Kingdom of Spain may maintain, in accordance with detailed rules to be determined following the procedure referred to in Article 91, quantitative restrictions on imports from third countries of the products referred to in Article 137 (2).

Article 145

For the products referred to in Article 131, the Kingdom of Spain shall be authorized to postpone until the beginning of the second phase the progressive application, to imports, of preferences granted, unilaterally or by agreement, by the Community to certain third countries.

Article 146

1. For the products referred to in Article 131 and subject to the provisions referred to in paragraph 2, the Kingdom of Spain shall be authorized to maintain, during the first phase, for exports to third countries, the arrangements in force before its accession for such trade.

2. The amount of aids or subsidies granted, where appropriate, by the Kingdom of Spain for exports to third countries must be limited to the amount that is strictly necessary in order to ensure the disposal of the product in question on the market of destination.

Such aid or subsidies may not be implemented until the procedure referred to in Article 142 has taken place. These consultations shall concern, in particular, the economic aspects of the envisaged exports, the prices adopted for their calculation and the situation of the markets of origin and of destination.

Sub-section 2

Second phase

Article 147

As from the second phase, Community rules relating to the products referred to in Article 131 shall apply in full in Spain subject to Articles 75, 81, 82, 83, 85 and 148 to 153.

Article 148

1. Until the first move towards alignment, without prejudice to Article 135 (1) (e), of the prices referred to in Article 149, the prices to be applied in Spain as from 1 January 1990 shall be fixed in accordance with the rules provided for in the common organization of the markets concerned at the level of the prices fixed in Spain at the end of the first phase.

2. Where, at the beginning of the second phase, it is noted that the variation between the price level for a product in Spain and that of the common price is minimal, the common price may be applied in Spain for the product concerned.

Price variation shall be deemed to be minimal when it is lower than, or equal to, 3 % of the common price.

Article 149

If application of the provisions of Article 148 (1) results, in Spain, in a price level which is different from that of the common prices, the prices applicable in Spain shall be aligned on the common prices as from the beginning of the 1990/91 marketing year in six stages and the provisions of Article 70 shall be applied *mutatis mutandis*.

The common prices shall be applied in Spain when the sixth move towards alignment occurs.

Article 150

Articles 76 (1), 80, 87 and 90 shall apply in Spain as from 1 January 1990.

However, '31 December 1987' in Article 90 shall be replaced by '31 December 1991'.

Article 151

Where an aid is instituted in the context of the common agricultural policy during the first phase, it shall

be introduced in Spain or the level of the similar aid existing in Spain shall be aligned on the common level in six stages applying, by analogy, the provisions of Article 79.

Article 152

1. During the second phase, a compensation mechanism shall be introduced on import into the Community as at present constituted for those fruit and vegetables coming from Spain for which a reference price is fixed with regard to third countries.

2. This mechanism shall be governed by the following rules:

(a) A comparison shall be made between an offer price of the Spanish product, as calculated under (b), and a Community offer price. This latter price shall be calculated annually:

— on the basis of the arithmetic mean of the producer prices of each Member State of the Community as at present constituted, plus transport and packaging costs incurred by the products from the production regions to the representative consumption centres of the Community,

— bearing in mind developments in the cost of production.

The above producer prices shall correspond to the average of the rates recorded during the three years which precede the date on which the Community offer price is fixed.

The Community offer price may not exceed the level of the reference price applied with regard to third countries.

(b) The Spanish offer price shall be calculated every marketing day, on the basis of the representative rates recorded or reduced to the importing-wholesale stage in the Community as at present constituted. The price for a product coming from Spain shall be equal to the lowest representative rate or to the average of the lowest representative rates recorded for at least 30 % of the quantities of the provenance concerned marketed on all the representative markets for which rates are available. This rate or these rates shall be reduced beforehand:

— by the customs duties calculated in accordance with the provisions of (c),

— by any correcting amount introduced in accordance with the provisions of (d).

(c) The customs duty to be deducted from the rates of the Spanish product shall be the Common Customs Tariff duty progressively reduced each year at the

beginning of the marketing year by one-sixth of its amount. However, for 1990, the reduction shall be take place on 1 January.

- (d) If the price of the Spanish product, calculated in accordance with the provisions of (b), is lower than the Community offer price referred to in (a), a correcting amount equal to the difference between these two prices shall be levied on import into the Community as at present constituted by the importing Member State.
- (e) The correcting amount shall be levied until the assessment carried out shows that the price of the Spanish product is equal to, or higher than, the Community price referred to in (a).

3. Should the Spanish market be disturbed as a result of imports from the Community as at present constituted, appropriate measures which may make provision for the application of a compensatory amount in accordance with detailed rules to be determined, may be decided upon with regard to imports into Spain of those fruit and vegetables coming from the Community as at present constituted for which a reference price is fixed.

Article 153

1. The Kingdom of Spain shall apply progressively, to imports of the products referred to in Article 131 as from 1 January 1990, the preferences accorded, either autonomously or by agreement, by the Community to certain third countries.

2. To this end the Kingdom of Spain shall apply a duty reducing the variation between the rate of duty actually applied on 31 December 1989 and the preferential rate of duty according to the following rates:

- on 1 January 1990, the variation shall be reduced to 85,7 % of the original variation,
- on 1 January 1991, the variation shall be reduced to 71,4 % of the original variation,
- on 1 January 1992, the variation shall be reduced to 57,1 % of the original variation,
- on 1 January 1993, the variation shall be reduced to 42,8 % of the original variation,
- on 1 January 1994, the variation shall be reduced to 28,5 % of the original variation,
- on 1 January 1995, the variation shall be reduced to 14,2 % of the original variation.

The Kingdom of Spain shall apply the preferential rates in their entirety from 1 January 1996.

CHAPTER 4

Fisheries

Section I

General provisions

Article 154

1. Unless any provision of this Chapter states otherwise, the rules laid down by this Act shall apply to the fisheries sector.
2. Articles 89 (2) and 90 shall apply to fishery products.

Article 155

1. Subject to paragraph 2 and without prejudice to Protocol 2, the common fisheries policy shall not apply to the Canary Islands nor to Ceuta and Melilla.
2. The Council, acting by a qualified majority on a proposal from the Commission:
 - (a) shall determine the Community structural measures which may be adopted in favour of the territories referred to in paragraph 1;
 - (b) shall determine the procedures appropriate to take into consideration all or part of the interests of the territories referred to in paragraph 1 when it adopts decisions, case by case, with a view to the negotiations by the Community aimed at the resumption or conclusion of fisheries agreements with third countries and to the specific interests of these territories within international conventions concerning fisheries, to which the Community is a contracting party.
3. The Council, acting unanimously on a proposal from the Commission, shall determine, where appropriate, the possibilities and conditions of mutual access to respective fishing zones and to the resources thereof.

Section II

Access to waters and resources

Article 156

For the purposes of their integration into the Community system for the conservation and management of fishery resources established by Regulation (EEC) No 170/83, access to the waters falling under the

sovereignty or within the jurisdiction of the present Member States and covered by the International Council for the Exploration of the Sea (ICES) by vessels flying the flag of Spain and recorded and/or registered in a port situated in the territory to which the common fisheries policy applies shall be subject to the system defined in this section.

Article 157

Only those vessels referred to in Articles 158, 159 and 160 may engage in fishing activities and may do so solely in the zones and under the conditions that are specified in those Articles.

Article 158

1. 300 vessels, specified together with their technical characteristics in the list of names in Annex IX, known as the 'basic list', may be authorized to fish in ICES divisions V b, VI, VII, VIII a, b, d, excluding, during the period from the date of accession to 31 December 1995, the zone situated to the south of latitude 56° 30' N, to the east of longitude 12° W and to the north of latitude 50° 30' N.

2. Only 150 standard vessels, of which five may be allocated only for fishing for species other than demersal, taken from the basic list, shall be authorized to fish at the same time provided that they appear on a periodical list adopted by the Commission, up to the following limits:

- (a) 23 in ICES divisions V b and VI,
- (b) 70 in ICES division VII,
- (c) 57 in ICES division VIII a, b, d.

'Standard vessel' means a vessel having a brake horsepower equal to 700 horsepower (bhp). The conversion rates for vessels having a different engine power shall be as follows:

- less than 300 hp: 0,57,
- equal to or more than 300 hp, but less than 400 hp: 0,76,
- equal to or more than 400 hp, but less than 500 hp: 0,85,
- equal to or more than 500 hp, but less than 600 hp: 0,90,
- equal to or more than 600 hp, but less than 700 hp: 0,96,
- equal to or more than 700 hp, but less than 800 hp: 1,00,
- equal to or more than 800 hp, but less than 1 000 hp: 1,07,
- equal to or more than 1 000 hp, but less than 1 200 hp: 1,11,

- more than 1 200 hp: 2,25,
- long liners other than those referred to in Article 160 (b): 1,00,
- long liners other than those referred to in Article 160 (b) and equipped with gear allowing the automatic baiting or mechanical lifting of long lines: 2,00.

For the purposes of applying these conversion rates to vessels carrying out fishing operations known as 'parejas' and 'trios', the engine power of the participating vessels shall be added together.

3. Any adjustments to the basic list resulting from the laying up, occurring before accession, of a vessel for reasons of *force majeure* shall be adopted at the latest by 1 January 1986 according to the procedure of Article 14 of Regulation (EEC) No 170/83. These adjustments may not affect the number of vessels and their allocation between each of the categories, nor bring about an increase in overall tonnage or total power for each category. Further, vessels designated as replacements may be chosen only from among those listed in Annex X.

Article 159

1. The number of standard vessels referred to in Article 158 (2) may be increased on the basis of the development of overall fishing possibilities allocated to Spain for stocks subject to the total allowable catch system, hereinafter referred to as 'TAC', in accordance with the procedure laid down in Article 11 of Regulation (EEC) No 170/83.

2. As and when vessels referred to in the basic list are laid up and deleted from the basic list, they may be replaced by vessels of the same category having half the engine power of the vessels thus deleted from the basic list, until the basic list is established at such a level with respect to the allocated fish resources as to ensure normal exploitation.

The conditions of replacement referred to in the first subparagraph shall only apply in so far as the capacity of the fleet of the Community as at present constituted is not increased in the Community waters of the Atlantic.

Article 160

1. The following forms of specialized fishing shall be authorized:

Type of fishing	Zone	Total number of authorized vessels (basic list)	Number of vessels authorized to fish at the same time (periodical list)	Period of fishing authorization
(a) Sardine boats (using Seine nets, less than 100 grt)	VIII a, b, d	71	40	1 January to 28 February and 1 July to 31 December
(b) Long liners less than 100 grt	VIII a	25	10	Year round
(c) Fishing from vessels not exceeding 50 grt carried out exclusively with fishing rods	VIII a, b, d	—	—	Year round
(d) Vessels fishing for anchovy as their main fishing activity	VIII a, b, d	—	160	1 March to 30 June
(e) Vessels fishing for anchovy for live bait	VIII a, b, d	—	120	1 July to 31 October
(f) Tuna fishing	All zones	—	Unlimited	Year round
(g) Vessels fishing for Ray's bream	VII g, h, j, k	—	25	1 October to 31 December

2. As from 1 January 1986, all the provisions concerning fishing activities referred to in paragraph 1 shall remain identical to those applicable immediately before entry into force of this Act.

However, the fishing activities referred to in paragraph 1 (c) may be exercised in the ICES divisions concerned everywhere beyond the 12 nautical-mile limit calculated from the base lines.

Article 161

1. The TAC share, for species subject to TAC and quotas, to be allocated to Spain shall be fixed by species and by zone as follows:

Species	ICES division	Spanish share (%)
(a) Hake	V b, VI, VII, VIII a, b	30
(b) Monkfish	V b, VI	3,846
	VII	3,672
	VIII a, b, d	15,233
	VIII c, IX	99,9 (1)
(c) Megrin	V b, VI	11,363
	VII	30
	VIII a, b, d	55,334
(d) Norway lobster	V b, VI	0,2
	VII	6
	VIII a, b	6
	VIII c	96
	VIII d	0
(e) Pollack	V b, VI	0,2
	VII	0,2
	VIII a, b	17
	VIII c	90
	VIII d	0
(f) Anchovy	VIII	90

(1) Including the share to be allocated to Portugal.

2. In addition to the TAC shares for hake referred to in paragraph 1 (a), an additional flat rate quantity of 4 500 tonnes shall be allocated annually for a period of three years as from 1 January 1986.

Should the overall level of these TAC exceed 45 000 tonnes, this additional flat rate quantity shall be reduced so as to bring the overall quota allocated to Spain to a level not exceeding 18 000 tonnes.

3. The quantity to be allocated to Spain of species subject to TAC without apportionment of quotas shall be fixed on a flat rate basis as follows by species and by division:

Species	ICES division	Spanish share
(a) Blue whiting	V b, VI, VII, VIII a, b, d	30 000 tonnes
(b) Horse mackerel	V b, VI, VII, VIII a, b, d	31 000 tonnes

4. The fishing possibilities laid down for Spain and the resulting quotas for the other Member States of the Community shall be fixed annually and for the first time before 1 January 1986, in accordance with Article 11 of Regulation (EEC) No 170/83.

Article 162

Before 31 December 1992, the Commission shall submit to the Council a report concerning the situation and prospects with regard to fishing in the Community on the basis of the application of Articles 158 and 161. On the basis of that report, the adjustments to the arrangement provided for in Article 158, the first subparagraph of Article 159 (2) and in Article 161 (1), (2) and (3) which prove to be necessary, including those concerning access to zones other than those mentioned in Article 158 (1), shall be adopted before 31 December 1993 in accordance with the procedure laid down in Article 43 of the EEC Treaty and shall take effect on 1 January 1996.

Article 163

1. The Spanish authorities shall draw up basic lists for the fishing activities referred to in Article 160 (1) (a) and (b) and a list indicating the technical characteristics of each vessel for the other fishing activities referred to in Article 160 (1).

They shall submit to the Commission drafts of the periodical lists referred to in Articles 158 (2) and 160 (1).

2. For the vessels referred to in Articles 158 and 160 (1) (g), the periodical lists shall cover a period of at least one month.

For the other categories of vessels, fishing activity procedures shall be fixed in accordance with Article 160 (2) and pursuant to the procedure referred to in the second subparagraph of paragraph 3 of this Article.

After having been checked, these lists shall be approved by the Commission which shall forward them to the Spanish authorities and to the supervisory authorities of the other Member States concerned.

3. Provisions aimed at ensuring that operators comply with the rules provided for in this Article, including those aimed at the possibility of not authorizing the vessel concerned to fish for a certain period shall be adopted before 1 January 1986 according to the procedure provided for in Article 11 of Regulation (EEC) No 170/83.

The technical procedures which prove necessary in order to ensure the application of Articles 156 to 162, and those contained in Annex XI, shall be adopted before 1 January 1986 according to the procedure provided for in Article 14 of Regulation (EEC) No 170/83.

Article 164

1. The number of vessels flying the flag of a present Member State authorized to fish in the waters of the Atlantic Ocean falling under the sovereignty or within the jurisdiction of the Kingdom of Spain and covered by the ICES shall be fixed each year:

- (a) for the species subject to TAC and quotas, on the basis of the fishing possibilities allocated;
- (b) for the species not subject to TAC and quotas, taking into account the relative stability and the necessity of ensuring the conservation of stocks.

2. The specialized fishing activities of vessels flying the flag of a present Member State in the waters referred to in paragraph 1 shall be carried out within the same quantitative limits and in accordance with the same access and control procedures as those specified for Spanish vessels authorized to carry out their fishing activities in the fishing zones of the present Member States, and in compliance with other provisions concerning the conservation of resources.

3. The general rules for implementing this Article, and in particular the annual fixing of the number of vessels, shall be adopted in accordance with the procedure laid down in Article 11 of Regulation (EEC) No 170/83 and for the first time before 1 January 1986.

4. The procedures for applying this Article shall be adopted before 1 January 1986 in accordance with the procedure of Article 14 of Regulation (EEC) No 170/83.

Article 165

1. For the purposes of their integration into the Community system for the conservation and management

of fishery resources established by Regulation (EEC) No 170/83, access of vessels flying the flag of Portugal to waters falling under the sovereignty or within the jurisdiction of the Kingdom of Spain covered by the ICES and the Fishery Committee for the Eastern Central Atlantic (CECAF) shall be subject until 31 December 1995 to the regime referred to in paragraphs 2 to 8, without prejudice to the specific provisions referred to in Article 155.

2. The following activities may be carried out by the vessels referred to in paragraph 1 as their main activity:

Species	Quantity (tonnes)	Zone	Authorized fishing gear	Period fishing authorization	Total number of authorized vessels (basic list)	Number of vessels authorized to fish at the same time (periodical list)
<i>Demersal species</i>	850	ICES VIII + IX + CECAF (mainland coast)	Trawl	Year round	North of the Rio Mino frontier: 17 East of the Rio Guadiana frontier: 4	North of the Rio Mino frontier: 9 East of the Rio Guadiana frontier: 2
— Hake						
— Others	2 250	ICES VIII + IX + CECAF (mainland coast)	Trawl	Year round		
<i>Pelagic species</i>		ICES VIII + IX + CECAF (mainland coast)	Trawl	Year round		
— Horse mackerel						
— Large migrants other than tuna (sword fish, blue shark, Ray's bream)						
— Albacore tuna	ICES VIII + IX + CECAF (mainland coast)	Troll line	From May to July		To be decided	

3. The use of gill nets shall be prohibited.

4. Each long liner may not cast more than two long lines per day; the maximum length of each of these long lines shall be fixed at 20 nautical miles; the distance between hooks may not be less than, 2,70 metres.

5. Fishing for crustaceans shall not be authorized. However, catches shall be permitted when fishing directed at hake and other demersal species takes place, up to limit of 10% of the volume of catches of these species kept on board.

6. The number of vessels authorized to fish for Albacore tuna shall be decided upon before 1 March 1986 according to the procedure provided for in Article 11 of Regulation (EEC) No 170/83.

7. The detailed rules for applying this Article shall apply by analogy with those contained in Annex XI,

before 1 January 1986, in accordance with the procedure provided for in Article 14 of Regulation (EEC) No 170/83.

8. The provisions aimed at ensuring that operators comply with the rules provided for in this Article, including those aimed at the possibility of not authorizing the vessel concerned to fish for a certain period shall be adopted before 1 January 1986 according to the procedure provided for in Article 11 of Regulation (EEC) No 170/83.

Article 166

The regime defined in Articles 156 to 164, including the adjustments which the Council will be able to adopt pursuant to Article 162, shall remain in force until the date of expiry of the period laid down in Article 8 (3) of Regulation (EEC) No 170/83.

Section III

External resources

Article 167

1. Upon accession, the administration of fisheries agreements concluded by the Kingdom of Spain with third countries shall be the responsibility of the Community.
2. The rights and obligations flowing from the agreements referred to in the first paragraph for the Kingdom of Spain shall not be affected during the period when the provisions of such agreements are provisionally maintained.
3. As soon as possible, and in any event before the expiry of the agreements referred to in paragraph 1, the

Period during which quotas are open	Authorized zero duty global (tonnes)	Reduction (%)
From 1 March to 31 December 1986	66 300	
From 1 January to 31 December 1987	62 985	5
From 1 January to 31 December 1988	56 355	10,5
From 1 January to 31 December 1989	46 410	17,6
From 1 January to 31 December 1990	34 808	24,9
From 1 January to 31 December 1991	23 206	33,3
From 1 January to 31 December 1992	11 603	50
As from 1 January 1993	0	100

2. Within the global quantities authorized each year, the allocation of quotas by Common Customs Tariff heading or subheading shall be made proportionally in accordance with the allocation existing in 1983.
3. Products imported under this arrangement may not be considered as being in free circulation within the meaning of Article 10 of the EEC Treaty when they are re-exported to another Member State.
4. Only products from joint ventures and vessels operated by such ventures, the list of which is given in Annex XII, may benefit from the measures laid down in this Article.
5. The detailed implementing rules of this Article, and in particular the annual quota quantities by Common Customs Tariff heading or subheading shall be adopted in accordance with the procedure of Article 33 of Regulation (EEC) No 3796/81.

Section IV

Common organization of markets

Article 169

1. The guide prices applicable in Spain to Atlantic sardines and to anchovies and the guide prices appli-

decisions appropriate for the continuation of fishing activities resulting therefrom shall be adopted in each case by the Council, acting by a qualified majority on a proposal from the Commission, including the possibility of prolonging certain agreements for periods not exceeding one year.

Article 168

1. Exemptions, suspensions or tariff quotas granted by the Kingdom of Spain for fishery products coming from joint ventures set up between natural or legal persons from Spain and from other countries shall be eliminated over a period of seven years as follows:

cable in the Community as at present constituted shall be subject to alignment in accordance with paragraphs 2 and 3, the first move towards alignment taking place on 1 March 1986.

2. With regard to Atlantic sardines, the guides prices applicable in Spain, on the one hand, and in the Community as at present constituted, on the other, shall be the subject of alignment, in 10 annual stages, towards the level of the guide price for Mediterranean sardines, on the basis of 1984 prices, successively by a tenth, a ninth, an eighth, a seventh, a sixth, a fifth, a quarter, a third, and half of the difference between these guide-prices applicable before each move towards alignment; the price resulting from this calculation shall be modulated proportionately on the basis of any adjustment to the guide price for the future fishing year; the common price shall be applied from the date of the tenth move towards alignment.

3. With regard to anchovies, the guide prices that apply to Spain and to the other Member States respectively shall be the subject of alignment, in five annual stages, successively by a fifth, a quarter, a third and half the difference between these guide prices, this alignment being applied half to one and half to the other of these prices by increasing the lower price and reducing the higher price; the price resulting from this calculation shall be modulated proportionately on the

basis of any adjustment to the guide price for the next fishing year; the common price shall be applied from the date of the fifth move towards alignment.

Section V

Arrangements applicable to trade

Article 170

1. During the period of moves towards price alignment referred to in Article 169, a monitoring system shall be introduced based on the reference prices applicable to:

- imports of Atlantic sardines into the Community as at present constituted from Spain,
- imports of anchovies into Spain from other Member States of the Community.

2. At each stage of price alignment, the reference prices referred to in paragraph 1 shall be fixed at the level of withdrawal prices applicable in Spain for anchovies and in the other Member States for Mediterranean sardines respectively.

3. Should the market be disturbed as a result of imports referred to in paragraph 1 being made at prices lower than the reference prices, analogous measures to those laid down in Article 21 of Regulation (EEC) No 3796/81 may be taken in accordance with the procedure of Article 33 of the said Regulation.

4. The detailed implementing rules of this Article shall be adopted in accordance with the procedure of Article 33 of Regulation (EEC) No 3796/81.

Article 171

1. As from accession a system of compensatory indemnities shall be set up for sardine producers of the Community as at present constituted in relation to the special system for the move towards alignment of the prices applicable to this species pursuant to Article 169 (2).

2. Before the end of the period of the move towards price alignment, the Council, acting by a qualified majority on a proposal from the Commission, shall decide if, and where appropriate, how far, the system referred to in this Article should be extended.

3. The Council, acting by a qualified majority on a proposal from the Commission, shall adopt, before 31 December 1985, the procedure for applying this Article.

Article 172

During the period of the move towards alignment of prices, the conversion factors applicable in 1984 to sardines, provided for in Article 12 (1) of Regulation (EEC) No 3796/81, shall not be amended.

Article 173

1. By way of derogation from Article 31, customs duties on the import of fisheries products falling within heading Nos 03.01, 03.02, 03.03, 16.04 and 16.05 and subheadings 0.15 A and 23.01 B of the Common Customs Tariff between the Community as at present constituted and Spain shall be progressively abolished in accordance with the following timetable:

- on 1 March 1986, each duty shall be reduced to 87,5 % of the basic duty,
- on 1 January 1987, each duty shall be reduced to 75,0 % 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 50,0 % of the basic duty,
- on 1 January 1990, each duty shall be reduced to 37,5 % of the basic duty,
- on 1 January 1991, each duty shall be reduced to 25,0 % of the basic duty,
- on 1 January 1992, each duty be reduced to 12,5 % of the basic duty,
- the last reduction of 12,5 % shall be made on 1 January 1993.

2. By way of derogation from paragraph 1, customs duties on the import of sardine preparations and preserved sardines falling within subheading 16.04 D of the Common Customs Tariff between Spain and the other Member States of the Community shall be progressively abolished in accordance with the following timetable:

- on 1 March 1986, each duty shall be reduced to 90,9 % of the basic duty,
- on 1 January 1987, each duty shall be reduced to 81,8 % of the basic duty,
- on 1 January 1988, each duty shall be reduced to 72,7 % of the basic duty,
- on 1 January 1989, each duty shall be reduced to 63,6 % of the basic duty,
- on 1 January 1990, each duty shall be reduced to 54,5 % of the basic duty,
- on 1 January 1991, each duty shall be reduced to 45,4 % of the basic duty,
- on 1 January 1992, each duty shall be reduced to 36,3 % of the basic duty,
- on 1 January 1993, each duty shall be reduced to 27,2 % of the basic duty,
- on 1 January 1994, each duty shall be reduced to 18,1 % of the basic duty,

- on 1 January 1995, each duty shall be reduced to 9 % of the basic duty,
 - the last reduction of 9 % shall be made on 1 January 1996.
3. The Kingdom of Spain shall, on accession, eliminate all countervailing charges on imports into Spain of the products referred to in paragraph 1 coming from the other Member States of the Community.
4. By way of derogation from Article 37, the Kingdom of Spain, for the fisheries products referred to in paragraph 1, shall modify its tariff applicable to third countries by reducing the variation between the basic duties and the Common Customs Tariff duties according to the following timetable:
- As from 1 March 1986, the Kingdom of Spain shall apply a duty reducing, by 12,5 %, the variation between the basic duty and that of the Common Customs Tariff.
 - As from 1 January 1987:
 - (a) for the tariff headings for which the basic duties do not vary by more than 15 %, above or below, from the Common Customs Tariff duties the latter duties shall be applied:
 - (b) in the remaining cases, the Kingdom of Spain shall apply a duty reducing the variation between the basic duties and the Common Customs Tariff duties in seven equal instalments of 12,5 % on the following dates:
 - 1 January 1987,
 - 1 January 1988,
 - 1 January 1989,
 - 1 January 1990,
 - 1 January 1991,
 - 1 January 1992.

The Kingdom of Spain shall apply the Common Customs Tariff in full as from 1 January 1993.

Article 174

1. Until 31 December 1992, imports into Spain of products appearing in Annex XIII from other Member States shall be subject to a supplementary trade mechanism defined in this Article.
2. Furthermore, until 31 December 1990, imports into Spain of preserved sardines falling within subheading 16.04 D of the Common Customs Tariff from Portugal shall be subject to the mechanism referred to in paragraph 1.
3. A forward supply estimate for Spain shall be established for each product concerned before the beginning of each year on the basis of imports made over the three preceding years. This estimate shall show not only imports from the other Member States but also

those from third countries. The intra-Community share in this estimate shall be increased each year by a progressive factor of 15 %.

4. Beyond the threshold of the intra-Community share, measures limiting or suspending imports may be taken.
5. Beyond the threshold fixed for the overall supply estimate, the Kingdom of Spain may take interim protective measures that are immediately applicable. Such measures shall be notified without delay to the Commission which may suspend their application in the month following that notification.
6. The detailed implementing rules shall be adopted in accordance with the procedure of Article 33 of Regulation (EEC) No 3796/81.

Article 175

1. Quantitative restrictions applicable in the Community as at present constituted to products from Spain, under the conditions of Article 19 (4) of Regulation (EEC) No 3796/81, shall be progressively abolished and eliminated on 1 January 1993 as concerns preserved tuna fish and on 1 January 1996 as concerns preserved sardines.
2. The detailed implementing rules of paragraph 1 shall be adopted in accordance with the procedure of Article 33 of Regulation (EEC) No 3796/81.

Article 176

1. Until 31 December 1992, the Kingdom of Spain may maintain, with regard to third countries, quantitative restrictions for the products appearing in Annex XIV within the limits and according to the procedures defined by the Council acting by a qualified majority on a proposal from the Commission.
2. The Community mechanism for reference prices shall apply to each product once the quantitative restrictions relating thereto have been abolished.

CHAPTER 5

External relations

Section I

Common commercial policy

Article 177

1. The Kingdom of Spain shall retain with regard to third countries quantitative restrictions on imports of

products not yet liberalized with regard to the Community as at present constituted. It shall not grant to third countries any other advantage in relation to the Community as at present constituted with respect to the quotas fixed for those products.

These quantitative restrictions shall remain in force for at least such time as quantitative restrictions obtain for the same products with regard to the Community as at present constituted.

2. The Kingdom of Spain shall retain, with regard to the State-trading countries referred to by Regulations (EEC) No 1765/82, (EEC) No 1766/82 and (EEC) No 3420/83, quantitative restrictions on imports for products not yet liberalized with regard to countries to which Regulation (EEC) No 288/82 applies. It shall not grant the State-trading countries any other advantage in relation to the countries to which Regulation (EEC) No 288/82 applies with regard to the quotas fixed for those products.

These quantitative restrictions shall remain in force for at least such time as quantitative restrictions obtain for the same products with regard to the countries referred to in Regulation (EEC) No 288/82.

Any amendments to the import arrangements in Spain for products which are not liberalized by the Community with regard to State-trading countries must be made in accordance with the rules and procedures laid down in Regulation (EEC) No 3420/83, and without prejudice to the first subparagraph.

The Kingdom of Spain is not however required to reintroduce with regard to State-trading countries quantitative restrictions on imports for products liberalized with regard to those countries and which are still subject to quantitative restrictions with regard to member countries of the General Agreement on Tariffs and Trade.

3. Until 31 December 1991 the Kingdom of Spain may retain, without prejudice to paragraphs 1 and 2, quantitative restrictions on imports in the form of quotas for the products and amounts listed in Annex XV as temporary derogations from the common liberalization lists for imports contained in Regulations (EEC) No 288/82, (EEC) No 1765/82, (EEC) No 1766/82 and (EEC) No 3419/83, as amended by Regulation (EEC) No 453/84, provided that, as far as the countries which are members of the General Agreement on Tariffs and Trade are concerned, these restrictions have been notified, before accession, in the context of that Agreement.

Imports of those products shall be subject in their entirety to the common liberalization lists in force on 1 January 1992. The quotas shall be progressively increased until that date, in accordance with paragraph 4.

4. The minimum rate of progressive increase of quotas referred to in paragraph 3 shall be 17 % at the beginning of each year for quotas expressed in ECU and 12 % at the beginning of each year for quotas expressed in terms of volume. The increase shall be added to each quota and the following increase calculated on the total figure obtained.

Without prejudice to paragraphs 1 and 2, where imports made in the course of two consecutive years are less than 90 % of the annual quotas opened in accordance with paragraph 3, the Kingdom of Spain shall abolish the quantitative restrictions in force.

5. The Kingdom of Spain shall retain quantitative restrictions on imports in the form of quotas with respect to all third countries for the products listed in Annex XVI which are not liberalized by the Community with regard to third countries and for which it retains quantitative restrictions on imports with regard to the Community as at present constituted, in respect of the amounts and at least until the dates laid down in that Annex.

Any amendments to the import arrangements in Spain for products referred to in the first subparagraph shall be made in accordance with the rules and procedures laid down by Regulation (EEC) No 288/82 and (EEC) No 3420/83 and without prejudice to paragraphs 1 and 2.

6. In order to comply with the obligations which devolve upon the Community under the General Agreement on Tariffs and Trade with regard to State-trading countries that are members of that Agreement, the Kingdom of Spain shall, where appropriate and in so far as is necessary, extend to the said countries the liberalizing measures it must take with regard to the other third country members of the Agreement, whilst taking into account agreed transitional measures.

Article 178

1. From 1 March 1986, the Kingdom of Spain shall progressively apply the generalized preference system for products other than those listed in Annex II to the EEC Treaty starting from the basic duties referred to in Article 30 (1). However, as regards the products listed in Annex XVII, the Kingdom of Spain shall progressively align itself by 31 December 1992 on the rates of the generalized preference system starting from the basic duties referred to in Article 30 (2). The timetable of these alignments shall be the same as that referred to in Article 37.

2. (a) As far as the products listed in Annex II to the Treaty are concerned, the preferential rates provided for or calculated shall be applied progressively to the duties actually levied by the

Kingdom of Spain with regard to third countries, following the general procedures referred to under (b) or the special procedures referred to in Articles 97 and 153.

(b) The Kingdom of Spain shall apply, as from 1 March 1986, a duty which reduces the variation between the rate of the basic duty and the rate of the preferential duty in accordance with the following timetable:

- on 1 March 1986, the variation shall be reduced to 90,9 % of the original variation,
- on 1 January 1987, the variation shall be reduced to 81,8 % of the original variation,
- on 1 January 1988, the variation shall be reduced to 72,7 % of the original variation,
- on 1 January 1989, the variation shall be reduced to 63,6 % of the original variation,
- on 1 January 1990, the variation shall be reduced to 54,5 % of the original variation,
- on 1 January 1991, the variation shall be reduced to 45,4 % of the original variation,
- on 1 January 1992, the variation shall be reduced to 36,3 % of the original variation,
- on 1 January 1993, the variation shall be reduced to 27,2 % of the original variation,
- on 1 January 1994, the variation shall be reduced to 18,1 % of the original variation,
- on 1 January 1995, the variation shall be reduced to 9,0 % of the original variation.

The Kingdom of Spain shall apply the preferential rates in full as from 1 January 1996.

(c) By way of derogation from point (b), for fisheries products falling within heading Nos 03.01, 03.02, 03.03, 16.04 and 16.05 and subheadings 05.15 A and 23.01 B of the Common Customs Tariff, the Kingdom of Spain shall apply, as from 1 March 1986, a duty reducing the variation between the rate of the basic duty and the rate of the preferential duty according to the following system:

- on 1 March 1986, the variation shall be reduced to 87,5 % of the original variation,
- on 1 January 1987, the variation shall be reduced to 75,0 % of the original variation,
- on 1 January 1988, the variation shall be reduced to 62,5 % of the original variation,
- on 1 January 1989, the variation shall be reduced to 50,0 % of the original variation,

- on 1 January 1990, the variation shall be reduced to 37,5 % of the original variation,
- on 1 January 1991, the variation shall be reduced to 25,0 % of the original variation,
- on 1 January 1992, the variation shall be reduced to 12,5 % of the original variation.

The Kingdom of Spain shall apply the preferential rates in full as from 1 January 1993.

Section II

Agreements of the Communities with certain third countries

Article 179

1. As from 1 January 1986, the Kingdom of Spain shall apply the provisions of the agreements referred to in Article 181.

The transitional measures and any adjustments shall be the subject of protocols concluded with the co-contracting countries and annexed to those agreements.

2. These transitional measures, shall be designed to ensure, on their expiry, the application by the Community of a common system for its relations with each co-contracting third country as well as the identity of the rights and obligations of the Member States.

3. These transitional measures applicable to the countries listed in Article 181 shall not, in any field, result in the Kingdom of Spain granting from more favourable treatment than will apply to the Community as at present constituted.

In particular, all products subject to transitional measures in respect of quantitative restrictions applicable to the Community as at present constituted shall be subject to such measures *vis-à-vis* all the countries listed in Article 181, and for an identical period of time.

4. These transitional measures applicable to the countries listed in Article 181 shall not result in the Kingdom of Spain giving less favourable treatment to those countries than to other third countries. In particular, transitional measures in respect of quantitative restrictions cannot be envisaged for the countries listed in Article 181 in respect of products which will be free of such restrictions when imported into Spain from other third countries.

Article 180

1. If the protocols referred to in Article 179 (1) are not concluded by 1 January 1986, the Community shall take the necessary measures to deal with this situation on accession.

In any case, most-favoured-nation treatment shall be applied as from 1 January 1986 by the Kingdom of Spain to the countries listed in Article 181.

2. With regard to the measures referred to in paragraph 1 the following arrangements shall apply:

- (i) Should the abovementioned protocols not be concluded by the date of accession, for reasons outside the control of the Community or the Kingdom of Spain, the measures to be taken by the Community shall in any event provide for the application by the Kingdom of Spain, from the date of accession, of most-favoured-nation treatment to the preferential co-contracting countries or those associated with the Community and shall also take into account the arrangements that the third countries in question will apply to the Kingdom of Spain on that date.
- (ii) Should the abovementioned protocols not be concluded by the date of accession, for reasons other than those referred to in point (i), the Community, in order to adopt the measures referred to in paragraph 1, shall take as its basis the transitional measures and the adjustments agreed within the Conference and shall take into account, where appropriate, the result arrived at in negotiations with the third countries concerned.

Article 181

1. Articles 179 and 180 shall apply to:

- the Agreements concluded with Algeria, Austria, Cyprus, Egypt, Finland, Iceland, Israel, Jordan, Lebanon, Malta, Morocco, Norway, Sweden, Switzerland, Syria, Tunisia, Turkey and Yugoslavia, and to other Agreements concluded with third countries and concerning exclusively trade in the products of Annex II of the EEC Treaty,
- the new Agreement between the Community and the African, Caribbean and Pacific countries, signed on 8 December 1984.

2. The arrangements resulting from the Second ACP-EEC Convention and the Agreement on products within the province of the European Coal and Steel Community, signed on 31 October 1979, shall not apply in relations between the Kingdom of Spain and the African, Caribbean and Pacific States.

Article 182

The Kingdom of Spain shall denounce, with effect from 1 January 1986, the Agreement signed on 26 June 1979 with the countries of the European Free Trade Association.

Section III

Textiles

Article 183

1. As from 1 January 1986, the Kingdom of Spain shall apply the arrangement of 20 December 1973 regarding international trade in textiles as well as the bilateral agreements concluded by the Community under that arrangement, or with other third countries. Protocol of adjustment of those agreements shall be negotiated by the Community with third countries, that are parties to the agreements, in order to provide for voluntary restraint on exports to Spain in the case of products and origins for which there are limitations on exports to the Community.

2. Should these protocols not have been concluded by 1 January 1986, the Community shall take measures designed to deal with this situation and concerning the necessary transitional adjustments to ensure that the agreements are implemented by the Community.

CHAPTER 6

Financial provisions

Article 184

1. The Decision of 21 April 1970 on the replacement of financial contributions from Member States by the Communities' own resources, hereinafter referred to as 'the Decision of 21 April 1970', shall be applied in accordance with the Articles 185 to 188.

2. Any reference to the Decision of 21 April 1970 made in the Articles of this Chapter shall be understood as referring to the Council Decision of 7 May 1985 on the Communities' system of own resources, as from the entry into force of that Decision.

Article 185

The revenue designated as 'agricultural levies' referred to in the first paragraph of Article 2 (a) of the Decision

of 21 April 1970 shall also include the revenue from any amount recorded on import in trade between Spain and the other Member States and between Spain and third countries under Articles 67 to 153, 50 (3) and 53.

However, that revenue shall include only from 1 January 1990 the compensatory charges recorded for the fruit and vegetables falling within Regulation (EEC) No 1035/72 imported into Spain.

That revenue shall not include any amounts levied on imports into the Canary Islands or Ceuta and Melilla.

Article 186

The revenue designated as 'customs duties' referred to in the first paragraph of Article 2 (b) of the Decision of 21 April 1970 shall include, until 31 December 1992, customs duties calculated as if the Kingdom of Spain applied, from accession, in trade with third countries, the rates resulting from the Common Customs Tariff and the reduced rates resulting from any tariff preference applied by the Community. For the customs duties relating to oil seeds and oleaginous fruits and products derived therefrom falling within Regulation No 136/66/EEC and to the fruit and vegetables falling within Regulation (EEC) No 1035/72, the same rule shall apply until 31 December 1995.

However, that revenue shall include only from 1 January 1990 the customs duties thus calculated for fruit and vegetables falling within Regulation (EEC) No 1035/72 imported into Spain.

Where the provisions adopted by the Commission under Article 50 (3) of this Act are applied, and by way of derogation from the first subparagraph, the customs duties shall correspond to the amount calculated in accordance with the rate of the compensatory levy fixed by those provisions for third country products incorporated in the manufacture.

That revenue shall not include any amounts levied on imports into the Canary Islands or Ceuta and Melilla.

The Kingdom of Spain shall make a monthly calculation of these customs duties on the basis of customs declarations of a single month. The calculation thus obtained for the customs duties on the basis of recordings during the month in question shall be made available to the Commission under the conditions defined in Regulation (EEC, Euratom, ECSC) No 2891/77.

From 1 January 1993, the total amount of the customs duties recorded shall be due in its entirety. However, with regard to the fruit and vegetables falling within Regulation (EEC) No 1035/72 and to oil seeds and oleaginous fruit and products derived therefrom falling within Regulation No 136/66/EEC, the total amount of those duties shall be due in its entirety from 1 January 1996.

Article 187

The amount of duties recorded under own resources accruing from value added tax shall be due in its entirety from 1 January 1986.

That amount shall be calculated and checked as if the Canary Islands and Ceuta and Melilla were included in the territorial field of application of Sixth Council Directive 77/388/EEC of 17 May 1977 on the harmonization of the laws of the Member States relating to turnover taxes — Common system of value added tax: uniform basis of assessment.

The Community shall refund to the Kingdom of Spain, as an item of expenditure under the general budget of the European Communities, during the month following its availability to the Commission, a proportion of the amount of payments under own resources accruing from value added tax in accordance with the following procedure:

- 87 % in 1986,
- 70 % in 1987,
- 55 % in 1988,
- 40 % in 1989,
- 25 % in 1990,
- 5 % in 1991.

The percentage of this graduated refund shall not apply to the amount corresponding to the share to be borne by Spain in financing the deduction provided for in Article 3 (3) (b) and (c) of the Council Decision of 7 May 1985 on the Communities' system of own resources, in favour of the United Kingdom.

Article 188

In order to prevent the Kingdom of Spain from bearing the cost of reimbursement of advances granted to the Community by its Member States before 1 January 1986, the Kingdom of Spain shall benefit from financial compensation in respect of that reimbursement.

TITLE III
TRANSITIONAL MEASURES CONCERNING
PORTUGAL

CHAPTER I

Free movement of goods

Section 1

Tariff provisions

Article 189

1. The basic duty to which the successive reductions provided for in Articles 190, 243 (1) and 360 (1), (2) and (3) are to be applied shall, for each product, be the duty actually applied on 1 January 1985 to products originating in the Community as at present constituted and Portugal within the context of their trade.

2. The basic duty used for the moves towards alignment on the Common Customs Tariff and the ECSC unified tariff provided for in Articles 197, 243 (2) and 360 (4) shall, for each product, be the duty actually applied by the Portuguese Republic on 1 January 1985.

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

4. The Portuguese Republic shall take the necessary measures to ensure that, upon accession, its maximum customs tariff and the occasional suspensions of its customs duties are abolished.

The customs duties of the maximum tariff and the customs duties of the occasional suspensions are not the basic duties referred to in paragraphs 1 and 2. Where such duties are actually supplied, the basic duties are the minimum customs tariff duties, or, where applicable, conventional duties.

5. The Community as at present constituted and the Portuguese Republic shall inform each other of their respective basic duties.

6. Notwithstanding paragraph 1, for the products appearing in Protocol 15, the basic duties shall be those set out in the said Protocol opposite each product.

Article 190

1. Customs duties on imports between the Community as at present constituted and the Portuguese

Republic 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 two other reductions of 15 % each shall be made on 1 January 1992 and 1 January 1993.

2. Notwithstanding paragraph 1, duty-free entry shall apply from 1 March 1986 to:

- (a) imports which benefit from the provisions relating to tax exemptions applicable to persons travelling from one Member State to another;
- (b) imports of goods sent in small consignments, not of a commercial nature, which benefit from the provisions relating to tax exemptions applicable between Member States.

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

Article 191

In no case shall customs duties higher than those applied to third countries enjoying most-favoured-nation treatment be applied within the Community.

In the event of the Common Customs Tariff duties being amended or suspended, or the Portuguese Republic applying Article 201, or of the coexistence in Portugal of specific duties *vis-à-vis* the Community as at present constituted and *ad valorem* duties with regard to third countries for the same tariff heading or subheading, the Council, acting by a qualified majority on a proposal from the Commission, may take the necessary measures for the maintenance of Community preference.

In the event of the ECSC unified tariff duties being amended or suspended, or the Portuguese Republic applying Article 201, or of the coexistence in Portugal

of specific duties *vis-à-vis* the Community as at present constituted and *ad valorem* duties with regard to third countries for the same tariff heading or subheading, the Commission may take the necessary measures for the maintenance of Community preference.

Article 192

The Portuguese Republic may suspend in whole or in part the levying of duties on products imported from the Community as at present constituted. It shall inform the other Member States and the Commission thereof.

The Council, acting by a qualified majority on a proposal from the Commission, may suspend in whole or in part the levying of duties on products imported from Portugal.

Article 193

Any charge having equivalent effect to a customs duty on imports in trade between the Community as at present constituted and Portugal shall be abolished on 1 March 1986.

Article 194

The following charges applied by Portugal in trade with the Community as at present constituted 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),

- 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.

Article 195

Customs duties on exports and charges having equivalent effect in trade between the Community as at present constituted and Portugal shall be abolished on 1 March 1986.

Article 196

1. The Portuguese Republic shall eliminate from 1 March 1986 customs duties of a fiscal nature or the fiscal component of customs duties existing on that date on imports from the Community as at present constituted.

2. For the following products customs duties of a fiscal nature or the fiscal component of the customs duties applied by the Portuguese Republic shall be eliminated in accordance with the timetable laid down in Article 190.

CCT heading No	Description	Customs duties	
		Fiscal component	Protective component
17.04	Sugar confectionery, not containing cocoa: A. Liquorice extract containing more than 10 % by weight of sucrose but not containing other added substances	5 Esc/kg	12 Esc/kg
21.03	Mustard flour and prepared mustard: A. Mustard flour, in immediate packings B. Prepared mustard	13 % 13 %	22 % 22 %
22.08	Ethyl alcohol or neutral spirits, undenatured, of an alcoholic strength of 80 % vol or higher; denatured spirits (including ethyl alcohol and neutral spirits) of any strength: B. Ethyl alcohol or neutral spirits, undenatured, of an alcoholic strength of 80 % vol or higher, in containers holding: — Two litres or less — More than two litres	280 Esc per hl of pure alcohol 214 Esc per hl of pure alcohol	2 190 Esc per hl of pure alcohol 2 256 Esc per hl of pure alcohol

CCT heading No	Description	Customs duties	
		Fiscal component	Protective component
24.02	Manufactured tobacco; tobacco extracts and essences:		
	A. Cigarettes	180 Esc/kg	Free
	ex B. Cigars:		
	— With outer-wrapper leaf in tobacco	200 Esc/kg	Free
	ex C. Smoking tobacco:		
	— Shredded tobacco	170 Esc/kg	Free
	ex D. Chewing tobacco and snuff:		
	— Shredded tobacco	170 Esc/kg	Free
	ex E. Other, including agglomerated tobacco in the form of sheets or strip:		
	— Shredded tobacco	170 Esc/kg	Free

3. The Portuguese Republic shall retain the option of replacing any customs duty of a fiscal nature or the fiscal component of such a duty by an internal charge conforming to the provisions of Article 95 of the EEC Treaty.

If the Portuguese Republic exercises this option, any component that may not be covered by the internal charge shall represent the basic duty provided for in Article 189. This component shall be abolished in trade with the Community and shall be aligned on the Common Customs Tariff and the ECSC unified tariff in accordance with the timetable set out in Articles 190 and 197.

Article 197

1. For the purpose of the progressive introduction of the Common Customs Tariff and the ECSC unified tariff, the Portuguese Republic shall amend its tariff applicable to third countries as follows:

— From 1 March 1986, the Portuguese Republic shall apply a duty reducing by 10 % the difference between the basic duty and the duty in the Common Customs Tariff or the ECSC unified tariff.

— From 1 January 1987:

(a) in the case of tariff headings in respect of which the basic duties do not differ by more than 15 % in either direction from the duties in the Common Customs Tariff or the ECSC unified tariff, these latter duties shall be applied;

(b) in other cases, the Portuguese Republic shall apply a duty reducing the difference between the basic duty and the duty in the Common Customs Tariff or the ECSC unified tariff in accordance with the following timetable:

- on 1 January 1987, a reduction of 10 %,
- on 1 January 1988, a reduction of 15 %,
- on 1 January 1989, a reduction of 15 %,
- on 1 January 1990, a reduction of 10 %,
- on 1 January 1991, a reduction of 10 %,
- on 1 January 1992, a reduction of 15 %.

The Portuguese Republic shall apply the Common Customs Tariff and the ECSC unified tariff as from 1 January 1993 in their entirety.

2. Notwithstanding paragraph 1, for the products listed in the Annex to the Agreement on trade in civil aircraft concluded in the context of the 1973 to 1979 trade negotiations of the General Agreement on Tariffs and Trade, the Portuguese Republic shall apply the Common Customs Tariff from 1 March 1986 in its entirety.

Article 198

The autonomous duties entered in the Community Common Customs Tariff shall be autonomous duties of the Community as at present constituted. The con-

ventional duties of the EEC Common Customs Tariff and of the ECSC unified tariff shall be the conventional duties of the EEC and of the ECSC, as at present constituted, with the exception of the adjustments to be made to take into account the fact that the duties in force in the Spanish and Portuguese tariffs are, on the whole, higher than the duties in force in the tariffs of the EEC and ECSC as at present constituted.

That adjustment which will be the subject of negotiation within the General Agreement on Tariffs and Trade, shall remain within the limits of the possibilities opened by Article XXIV of that Agreement.

Article 199

1. Where duties in the customs tariff of the Portuguese Republic differ in nature from the corresponding duties in the Common Customs Tariff or the ECSC unified tariff, the progressive alignment of the former on the latter shall be effected by adding the components of the Portuguese basic duty to those of the Common Customs Tariff or the ECSC unified tariff, the Portuguese basic duty being reduced to zero progressively, in accordance with the timetable set out in Articles 197 and 243 (2) and the duty in the Common Customs Tariff or ECSC unified tariff increasing from zero to reach the full amount progressively in accordance with the same timetable.

2. From 1 March 1986, if certain duties in the Common Customs Tariff or the ECSC unified tariff are altered or suspended, the Portuguese Republic shall simultaneously amend or suspend its tariff in the proportion resulting from the implementation of Article 197.

3. The Portuguese Republic shall apply the Common Customs Tariff and ECSC unified tariff nomenclatures from 1 March 1986.

The Portuguese Republic may include within these nomenclatures national subdivisions existing at the time of accession which are indispensable in order that the progressive alignment of its customs duties with those in the Common Customs Tariff and the ECSC unified tariff be carried out under the conditions laid down in this Act.

Where amendments are made to the nomenclature of the Common Customs Tariff or the ECSC unified tariff in respect of products referred to in this Act, the Council may, acting by a qualified majority on a proposal from the Commission, adapt the nomenclature of those products as indicated in this Act.

4. With a view to implementing paragraph 3 and to facilitating the progressive introduction of the Com-

mon Customs Tariff and the ECSC unified tariff by the Portuguese Republic and the progressive abolition of customs duties between the Community as at present constituted and the Portuguese Republic, the Commission shall determine, if necessary, the implementing provisions whereby the Portuguese Republic alters its customs duties; those implementing provisions may not however entail any amendment to Articles 189 and 197.

5. The rate of duty calculated in accordance with Article 197 shall be applied by rounding up or down to the first decimal place.

Rounding down shall be effected by deleting the second decimal where Portuguese duties are being aligned on Common Customs Tariff or ECSC unified tariff duties which are less than the Portuguese basic duties. In other cases rounding up shall be effected by applying the higher decimal.

Article 200

1. For the products contained in the list appearing in Annex XVIII, the basic duties adopted for alignment on the Common Customs Tariff and the ECSC unified tariff shall be the duties resulting from the application by the Portuguese Republic, on 1 January 1985, of tariff exemptions (total suspensions) and tariff reductions (partial suspensions).

2. From 1 March 1986, the Portuguese Republic shall apply a duty reducing the difference between the basic duties referred to in paragraph 1 and the duties in the Common Customs Tariff or the ECSC unified tariff in accordance with the timetable set out in Article 197.

3. The Portuguese Republic may waive tariff abolition or adopt the Common Customs Tariff rate of duty more rapidly.

4. Upon accession, no remaining customs duty shall continue to be applied by the Portuguese Republic to the products in question imported from the Community as at present constituted and no customs duty on these products shall be reintroduced with regard to the Community.

5. Upon accession, the Portuguese Republic shall apply without discrimination the exemptions and tariff reductions that are progressively aligned on the Common Customs Tariff and on the ECSC unified tariff.

Article 201

In order to bring its tariff into line with the Common Customs Tariff and the ECSC unified tariff, the Portuguese Republic shall remain free to alter its customs duties more rapidly than is provided for in Article 197. It shall inform the other Member States and the Commission thereof.

Elimination of quantitative restrictions and measures having equivalent effect

Article 202

Quantitative restrictions on imports and exports and any measures having equivalent effect shall, from 1 January 1986, be abolished between the Community as at present constituted and the Portuguese Republic.

Article 203

Notwithstanding Article 202, the present Member States and the Portuguese Republic may retain restrictions on exports of waste and scrap metal of iron or steel falling within heading No 73.03 of the Common Customs Tariff in their mutual trade.

These arrangements may be retained until 31 December 1988 with regard to exports from the Member States of the Community as at present constituted to Portugal and until 31 December 1990 with regard to exports from Portugal to the present Member States, provided that these arrangements are not more restrictive than those applied to exports to third countries.

Article 204

1. Notwithstanding Article 202, the Portuguese Republic may, until 31 December 1988, continue to require on imports or exports, exclusively for statistical purposes, the prior registration of products other than those covered by Annex II of the EEC Treaty and those covered by the ECSC Treaty.

2. The registration note shall be issued automatically within a period of five working days from the submission of the request. Should it not be issued within this period, the goods in question may be freely imported or exported.

3. The requirement of any prior recording by the importer or exporter shall be abolished upon accession.

Article 205

Notwithstanding Article 202, the Portuguese Republic shall abolish the discriminatory variation existing between the rate of reimbursement by the Social Security institutions for pharmaceutical products produced in Portugal and the rate of reimbursement for pharmaceutical products imported from the present Member States in three annual stages of equal size occurring on the following dates:

- 1 January 1987,
- 1 January 1988,
- 1 January 1989.

Notwithstanding Article 202, trade in certain textile products between Portugal and the other Member States of the Community shall be subject to the arrangements described in Protocol 17.

Article 207

Notwithstanding Article 202, the Portuguese Republic shall be authorized to retain until 31 December 1987 the quantitative restrictions on imports from the other Member States of motor vehicles referred to in Protocol 18 and within the limits of the import quota system described in that Protocol.

Article 208

1. Without prejudice to paragraph 2 of this Article, the Portuguese Republic shall, from 1 January 1986, progressively adjust State monopolies of a commercial character within the meaning of Article 37 (1) of the EEC Treaty so as to ensure that by 1 January 1993 no discrimination regarding the conditions under which goods are procured and marketed exists between nationals of the Member States.

The present Member States shall have equivalent obligations in relation to the Portuguese Republic.

The Commission shall make recommendations as to the manner in which and the timetable according to which the adjustment provided for in the first paragraph must be carried out, it being understood that the manner and timetable must be the same for the Portuguese Republic and the present Member States.

2. With regard to motor spirit, kerosene, gas oils and fuel oils falling within subheadings 27.10 A III, 27.10 B III, 27.10 C I and 27.10 C II of the Common Customs Tariff, the adjustment of the exclusive marketing right shall begin from the date of accession. The existing Portuguese marketing quotas allocated to current beneficiary companies other than the public undertaking Petrogal shall be abolished on 1 January 1986. The total liberalization of the markets for these products shall be completed on 31 December 1992.

The Commission shall make its recommendations for adjustment concerning the execution of this liberalization by taking as the starting reference point the lowest annual market share per product held by the public undertaking Petrogal during the period 1 January 1981 to 31 December 1985.

Upon accession the Portuguese Republic shall open for each product concerned a quota equal to the total marketing quotas held before that date by undertakings other than Petrogal. This quota shall be progressively increased by the quantities liberalized following the Commission's recommendations.

Article 209

1. Notwithstanding Article 202, the holder, or his beneficiary, of a patent for a chemical or pharmaceutical product or a product relating to plant health, filed in a Member State at a time when a product patent could not be obtained in Portugal for that product may rely upon the rights granted by that patent in order to prevent the import and marketing of that product in the Member State or States where that product enjoys patent protection even if that product was put on the market in Portugal for the first time by him or with his consent.

2. This right may be invoked for the products referred to in paragraph 1 until the end of the third year after Portugal has made these products patentable.

Section III

Other provisions

Article 210

1. The Commission shall, with due regard for the provisions in force, in particular those relating to Community transit, determine the methods of administrative cooperation designed to ensure that goods fulfilling the requisite conditions benefit, from 1 March 1986, from the abolition of customs duties and charges having equivalent effect and quantitative restrictions and measures having equivalent effect, laid down by this Act.

2. Until 28 February 1986, the provisions of the 1972 Agreement between the European Economic Community and the Portuguese Republic and subsequent Protocols, relating to customs arrangements, shall continue to apply to trade between the Community as at present constituted and Portugal.

3. The Commission shall lay down the provisions applicable from 1 March 1986 to trade within the Community, in goods obtained in the Community in the manufacture of which have been incorporated:

- products on which the customs duties or charges having equivalent effect which were applicable to them in the Community as at present constituted or in Portugal have not been levied, or which have benefited from a total or partial drawback of such duties or charges,
- agricultural products which do not fulfil the required conditions to be released for free circulation in the Community as at present constituted or in Portugal.

In adopting these provisions, the Commission shall take into account the rules laid down in this Act for the

elimination of customs duties between the Community as at present constituted and Portugal, and for the progressive application by the Portuguese Republic of the Common Customs Tariff and provisions concerning the common agricultural policy.

Article 211

1. Save as otherwise provided in this Act, the provisions in force with regard to customs legislation for trade with third countries shall apply under the same conditions to trade within the Community, for such time as customs duties are levied in that trade.

For the purpose of establishing the customs value in respect of trade within the Community, and trade with third countries, until:

- 31 December 1992 for industrial products, and
- 31 December 1995 for agricultural products,

the customs territory to be taken into consideration shall be that defined by the provisions existing in the Community and in the Portuguese Republic on 31 December 1985.

2. The Portuguese Republic shall apply the Common Custom Tariff and ECSC unified tariff nomenclatures in trade within the Community from 1 March 1986.

The Portuguese Republic may include within these nomenclatures national subdivisions existing at the time of accession which are indispensable in order that the progressive elimination of its customs duties within the Community be carried out under the conditions laid down in this Act.

Article 212

During a period of five years from the date of accession, the Portuguese Republic shall complete the restructuring of its iron and steel industry under the conditions defined in Protocol 20.

The period indicated above may be shortened and the detailed rules set out in the said Protocol may be amended by the Commission with the assent of the Council on the basis of:

- the state of progression of the Portuguese restructuring plan, taking into account significant factors in the reestablishment of the viability of the undertaking,
- iron and steel measures in force in the Community after the date of accession; in that case, the arrangements applicable after accession to Portuguese deliveries to the Community as at present constituted should not lead to major differences in treatment between Portugal and the other Member States.

1. Where the compensatory amounts referred to in Article 240 or the compensatory mechanism referred to in Article 270 are applied in trade between the Community as at present constituted and the Portuguese Republic to one or more of the basic products considered as having been used in the manufacture of goods covered by Council Regulation (EEC) No 3033/80 of 11 November 1980 laying down the trade arrangements applicable to certain goods resulting from the processing of agricultural products, the following transitional measures shall be applied:

- A compensatory amount calculated on the basis of the compensatory amounts referred to in Article 240 or of the compensatory mechanism referred to in Article 270 and in accordance with the rules laid down by Regulation (EEC) No 3033/80 for calculating the variable component applicable to the goods covered by this Regulation shall be applied on importation of those goods into the Community as at present constituted from Portugal.
- When the goods covered by Regulation (EEC) No 3033/80 are imported from third countries into Portugal the variable component laid down by this Regulation shall be increased or reduced as the case may be by the compensatory amount referred to in the first indent.
- A compensatory amount determined on the basis of the compensatory amounts referred to in Article 240 or of the compensatory mechanism referred to in Article 270 fixed for the basic products and in accordance with the rules applicable for the calculation of the refunds provided for in Council Regulation (EEC) No 3035/80 of 11 November 1980 laying down general rules for granting export refunds on certain agricultural products exported in the form of goods not covered by Annex II to the Treaty, and the criteria for fixing the amount of such refunds shall, for the goods covered by this Regulation, be applied on exportation of those goods from the Community as at present constituted into Portugal.
- Where products covered by Regulation (EEC) No 3035/80 are exported from the Portuguese Republic to third countries, they shall be subject to the compensatory amount referred to in the third indent.

2. The customs duty constituting the fixed component of the charge applicable, as from the date of accession, to imports into Portugal from the Community as at present constituted of goods covered by Regulation (EEC) No 3033/80 shall be determined by deducting from the basic customs duty applied by the Portuguese Republic to products originating in the Community as at present constituted a variable component equal to

the variable component laid down in application of Regulation (EEC) No 3033/80, increased or reduced, as the case may be, by the compensatory amount referred to in the first and third indents of paragraph 1.

However, in cases where, for the products mentioned in Annex XIX, the customs duty constituting the fixed component of the charge, calculated in accordance with the foregoing subparagraph, is lower than the duties listed in the said Annex, the latter duties shall apply.

3. The customs duty constituting the fixed component of the charge applicable as from the date of accession to imports into Portugal from third countries of the goods covered by Regulation (EEC) No 3033/80 shall be equal to the higher of the two amounts determined as follows:

- The amount obtained by deducting from the basic customs duty applied by the Portuguese Republic to imports from third countries a variable component equal to the variable component fixed in application of Regulation (EEC) No 3033/80, increased or decreased, as the case may be, by the compensatory amount referred to in the first and third indents of paragraph 1.
- The amount obtained by adding together the fixed component applicable to imports into Portugal from the Community as at present constituted and the fixed component of the Common Customs Tariff duty (or with regard to third countries benefiting from the Community generalized system of preferences, the fixed preferential component which the Community applies, where appropriate, to imports from those countries).

4. By way of derogation from Article 189, the customs duties applied by the Portuguese Republic to imports from the Community and third countries shall be converted, as from the date of accession, into the type of duty and the units entered in the Common Customs Tariff. Conversion shall be made on the basis of the value of the goods imported to Portugal during the last four three-month periods for which information is available or, in the absence of imports of the goods concerned into Portugal, on the basis of the unit value of the same goods imported into the Community as at present constituted.

5. Every fixed component applied in trade between the Community as at present constituted and the Portuguese Republic shall be eliminated in accordance with Article 190.

Every fixed component applied by the Portuguese Republic to imports from third countries shall be aligned on the fixed component of the Common Customs Tariff duty (or, where appropriate, on the fixed preferential component provided for in the Community generalized system of preferences), in accordance with Article 197 and 201.

6. Where a reduction in the variable component of the Common Customs Tariff duty is granted to third countries benefiting from the Community generalized system of preferences, the Portuguese Republic shall apply this variable preferential component as from the date on which, during the first year of the second stage of the transitional arrangements, the rules of the second stage begin to be applied to the basic products whose marketing year starts the last.

Section IV

Trade between the Portuguese Republic and the Kingdom of Spain

Article 214

The Portuguese Republic shall apply Articles 189 to 213 in its trade with the Kingdom of Spain, subject to the conditions set out in Protocol 3.

CHAPTER 2

Free movement of persons, services and capital

Section I

Workers

Article 215

Article 48 of the EEC Treaty shall only apply, in relation to the freedom of movement of workers between Portugal and the other Member States, subject to the traditional provisions laid down in Articles 216 to 219 of this Act.

Article 216

1. Articles 1 to 6 of Regulation (EEC) No 1612/68 on the freedom of movement of workers within the Community shall apply in Portugal with regard to nationals of the other Member States and in the other Member States with regard to Portuguese nationals only as from 1 January 1993.

The Portuguese Republic and the other Member States may maintain in force until 31 December 1992, with regard to nationals of the other Member States and to Portuguese nationals respectively, national provisions or those resulting from bilateral arrangements making prior authorization a requirement for immigration with a view to pursuing an activity as an employed person and/or taking up paid employment.

However, the Portuguese Republic and the Grand Duchy of Luxembourg may maintain in force until 31 December 1995 the national provisions referred to in the preceding subparagraph in force on the date of signing of this Act with regard to Luxembourg nationals and Portuguese nationals respectively.

2. As from 1 January 1991 the Council shall, after receiving a report from the Commission, examine the results of the application of the measures of derogation referred to in paragraph 1.

On completion of this examination, the Council, acting unanimously on a proposal from the Commission may, on the basis of new data, adopt provisions intended to adjust the said measures.

Article 217

1. Article 11 of Regulation (EEC) No 1612/68 shall apply until 31 December 1990 in Portugal with regard to nationals of the other Member States and in the other Member States with regard to Portuguese nationals under the conditions indicated hereinafter:

- (a) The members of workers' families referred to in Article 10 (1) (a) of the said Regulation, installed in accordance with regulations with the worker in the territory of a Member State at the date of signature of this Act, shall have the right, upon accession, to take up any paid employment throughout the territory of that Member State.
- (b) The members of workers' families, referred to in Article 10 (1) (a) of the said Regulation, installed in accordance with regulations with the worker in the territory of a Member State after the date of signature of this Act, shall have the right to take up any paid employment there if they have been resident there for at least three years. This period of residence shall be reduced to 18 months as from 1 January 1989.

This paragraph shall be without prejudice to more favourable national provisions, or those resulting from bilateral arrangements.

2. The arrangements provided for in paragraph 1 shall also apply to members of the family of a self-employed person installed with him in a Member State.

Article 218

In so far as certain provisions of Directive 68/360/EEC on the abolition of restrictions on movement and residence within the Community for workers of Member States and their families, may not be dissociated from those of Regulation (EEC) No 1612/68 whose application is deferred pursuant to Article 216, the Portuguese Republic and the other Member States may derogate from those provisions, to the extent necessary

for the application of the provisions for derogation which are laid down in Article 216 in connection with the said Regulation.

Article 219

The Portuguese Republic and the other Member States shall take, with the assistance of the Commission, the necessary measures so that the application of the Commission Decision of 8 December 1972 on the uniform system established pursuant to Article 15 of Council Regulation (EEC) No 1612/68, known as 'Sedoc' and the Commission Decision of 14 December 1972 on the 'Community plan' for the collection and circulation of information provided for in Article 14 (3) of Council Regulation (EEC) No 1612/68 may be extended to Portugal by 1 January 1993 at the latest.

Article 220

1. Until the entry into force of the uniform solution for all the Member States referred to in Article 99 of Regulation (EEC) No 1408/71 on the application of social security schemes to employed persons, to self-employed persons and to members of their families moving within the Community, and until 31 December 1988 at the latest, Articles 73 (1) and (3), 74 (1) and 75 (1) of Regulation (EEC) No 1408/71 and Articles 86 and 88 of Regulation (EEC) No 574/72 fixing the procedure for implementing Regulation (EEC) No 1408/71 shall not apply to Portuguese workers who are employed in a Member State other than Portugal and the members of those families are resident in Portugal.

Articles 73 (2), 74 (2), 75 (2) and 94 (9) of Regulation (EEC) No 1408/71, and Articles 87, 89, 98 and 120 of Regulation (EEC) No 574/72 shall apply by analogy to these workers.

However, the foregoing is without prejudice to legislative provisions of a Member State whereby family benefits are to be payable in respect of members of the family, whatever their country of residence.

2. Notwithstanding Article 6 of Regulation (EEC) No 1408/71, the following provisions of Social Security Conventions shall continue to apply to Portuguese workers during the period referred to in paragraph 1:

(a) Portugal — Belgium

- Article 28 (2) of the General Convention of 14 September 1970.
- Articles 57, 58 and 59 of the Administrative Arrangement of 14 September 1970.

(b) Portugal — Germany

- Article 27 (1), (2) and (3) of the Convention of 6 November 1964, as amended by Article 1 of the Modifying Arrangement of 30 September 1974.

(c) Portugal — Spain

- Articles 23 and 24 of the General Convention of 11 June 1969.
- Articles 45 and 46 of the Administrative Arrangement of 22 May 1970.

(d) Portugal — Luxembourg

- Article 23 of the Convention of 12 February 1965, as amended by Article 13 of the Second Additional Agreement of 20 May 1977.
- Article 15 of the Second Additional Agreement of 21 May 1979 concerning the General Administrative Arrangement of 20 October 1966.

(e) Portugal — Netherlands

- Article 33 (2) of the Convention of 19 July 1979.
- Articles 36 and 37 of the Administrative Arrangement of 9 May 1980.

Section II

Right of establishment, services, capital movements and invisible transactions

Article 221

The Portuguese Republic may maintain restrictions on the right of establishment and of the freedom to provide services:

- until 31 December 1988, for activities falling within the travel and tourist agencies sector,
- until 31 December 1990, for activities falling within the cinema sector.

Article 222

1. Until 31 December 1989, the Portuguese Republic may maintain a system of advance authorization for direct investments, within the meaning of the First Council Directive of 11 May 1960 for the implementation of Article 67 of the EEC Treaty, as amended and added to by Second Council Directive 63/21/EEC of 18 December 1962 and by the 1972 Act of Accession, carried out in Portugal by nationals of other Member States and connected with the exercise of the right of

establishment and the freedom to provide services and whose overall value exceeds the following amounts:

- during 1986: 1,5 million ECU,
- during 1987: 1,8 million ECU,
- during 1988: 2,1 million ECU,
- during 1989: 2,4 million ECU.

2. The provisions of paragraph 1 shall not apply to direct investments concerning the credit institutions sector.

3. For every investment project subject to advance authorization pursuant to paragraph 1, the Portuguese authorities must take a decision at the latest two months after the application has been made. If no decision is taken within this time limit, the proposed investment shall be deemed to be authorized.

4. The investors covered by paragraph 1 may not be treated differently from one another nor be granted less favourable treatment than that granted to nationals of third countries.

Article 223

1. The Portuguese Republic may, under the conditions and within the time limits set out in Articles 224 to 229, postpone the liberalization of capital movements set out in Lists A and B of the First Council Directive of 11 May 1960 for the implementation of Article 67 of the EEC Treaty and of the Second Council Directive of 18 December 1962 adding to and amending the First Directive for the implementation of Article 67 of the EEC Treaty.

2. Appropriate consultations shall take place in due course between the Portuguese authorities and the Commission on procedures for applying measures of liberalization or relaxation, the implementation of which may be postponed under the following provisions.

Article 224

The Portuguese Republic may postpone until 31 December 1992 the liberalization of direct investments in the other Member States made by persons resident in Portugal.

Article 225

1. The Portuguese Republic may postpone until 31 December 1990 the liberalization of transfers relating to purchases, made in Portugal by residents of the other Member States, or buildings constructed and intended for residential accommodation, as well as of land already used as agricultural land or classed as agri-

cultural land under Portuguese legislation on the date of accession.

2. The temporary derogation referred to in paragraph 1 shall not apply:

- to residents of the other Member States who fall within the category of those emigrating as part of the free movement of employed or self-employed workers,
- to the purchases referred to in paragraph 1 which are connected with the exercise of the right of establishment by self-employed workers who are residents of the other Member States and who emigrate to Portugal.

Article 226

1. The Portuguese Republic may maintain, until 31 December 1990 and under the conditions defined in paragraph 2, restrictions on the transfer of the proceeds of the liquidation of real estate investments made in Portugal by persons resident in the other Member States.

2. (a) Transfers of the proceeds relating to a liquidation shall be liberalized respectively:

- from 1 January 1986, up to an amount of 100 000 ECU,
- from 1 January 1987, up to an amount of 120 000 ECU,
- from 1 January 1988, up to an amount of 140 000 ECU,
- from 1 January 1989, up to an amount of 160 000 ECU,
- from 1 January 1990, up to an amount of 180 000 ECU.

(b) In the case of a liquidation which exceeds the amount defined under (a), the transfer of the balance shall be liberalized by five equal annual instalments, the first instalment at the time when transfer of the proceeds of liquidation is applied for and the other four in the four following years.

3. Throughout the period of application of this transitional measure, any special or general facilities concerning the free transfer of the proceeds of the liquidation of the real estate investments defined in paragraph 1 which may exist pursuant to Portuguese provisions or agreements governing the relations between the Portuguese Republic and any of the other Member States or third countries shall be maintained and applied on a non-discriminatory basis to all the other Member States.

Article 227

The Portuguese Republic may postpone, until 31 December 1992, the liberalization of transfers relating to real estate investment in another Member State:

- by persons resident in Portugal who do not fall within the category of those emigrating in the context of the free movement of employed and self-employed workers;
- by self-employed workers who are residents of Portugal and who emigrate, to the extent that the investments in question are not concerned with their establishment.

Article 228

1. The Portuguese Republic may, until 31 December 1990 and under the conditions defined in paragraph 2, maintain restrictions on the transactions listed in Section X under B, C, D, E, F and H of List A annexed to the Directives referred to in Article 223 and carried out towards the other Member States.

2. On 1 January 1986, transfers shall be liberalized up to an amount of 25 000 ECU for the transactions under C, D and F, and 10 000 ECU for the transactions under B, E and H. Each of these amounts shall be fixed respectively:

- from 1 January 1987, at 30 000 and 12 000 ECU,
- from 1 January 1988, at 35 000 and 14 000 ECU,
- from 1 January 1989, at 40 000 and 16 000 ECU,
- from 1 January 1990, at 45 000 and 18 000 ECU.

Article 229

The Portuguese Republic may postpone, until 31 December 1990, the liberalization of the transactions appearing in List B (IV B (1) and (3)) annexed to the Directives referred to in Article 223 and carried out by residents of Portugal.

However, transactions in securities issued by the European Communities and the European Investment Bank, carried out by persons resident in Portugal, shall be the subject of progressive liberalization over this period as follows:

- from 1 January 1986, the liberalization ceiling for the subscription of the securities shall be fixed at 15 million ECU,
- from 1 January 1987, this ceiling shall be fixed at 18 million ECU,
- from 1 January 1988, this ceiling shall be fixed at 21 million ECU,
- from 1 January 1989, this ceiling shall be fixed at 24 million ECU,
- from 1 January 1990, this ceiling shall be fixed at 27 million ECU.

Article 230

1. The Portuguese Republic may, until 31 December 1990 and under the conditions set out in paragraph 2, maintain restrictions on transfers relating to tourism.

2. The annual tourist allowance per person may not be less than respectively:

- 500 ECU for 1986,
- 600 ECU for 1987,
- 700 ECU for 1988,
- 800 ECU for 1989,
- 900 ECU for 1990.

Article 231

The Portuguese Republic shall, circumstances permitting, carry out the liberalization of capital movements and invisible transactions referred to in Articles 224 to 230 before expiry of the time limits laid down in those Articles.

Article 232

For the purpose of applying Articles 223 to 231, the Commission may consult the Monetary Committee and submit appropriate proposals to the Council.

CHAPTER 3

Agriculture

Section I

General provisions

Article 233

1. This Chapter concerns agricultural products with the exception of products falling within Regulation (EEC) No 3796/81 on the common organization of the market in fishery products.

2. Save as otherwise provided for in this Chapter, the rules laid down in this Act shall apply to the agricultural products referred to in paragraph 1.

3. Subject to the specific provisions of this Chapter laying down different dates or different time limits, the application of the transitional measures for the agricultural products referred to in paragraph 1 shall terminate at the end of 1995.

Article 234

1. The application of Community rules to products covered by this Chapter shall be carried out in accordance with a 'classic' transition or a transition by 'stages', the general rules of which are defined in Sections II and III respectively and the specific detailed rules of which, depending on product sector, in Sections IV and V.

2. Unless otherwise provided for in specific cases, the Council, acting by a qualified majority on a proposal from the Commission, shall adopt the provisions necessary to implement the provisions of this Chapter.

These provisions may in particular comprise adequate measures to avoid deflections of trade in the trade between Portugal and the other Member States.

3. The Council, acting unanimously on a proposal from the Commission after consulting the European Parliament, may make the adjustment to the provisions appearing in this Chapter which may prove to be necessary as a result of an amendment to Community rules.

Section II

Classic transition

Sub-section 1

Scope

Article 235

All the agricultural products referred to in Article 233, with the exception of those referred to in Article 259, shall be subject to the provisions of this Section.

Sub-section 2

Price compensation and moves towards price alignment

Article 236

Before the first move towards price alignment referred to in Article 238, the prices to be applied in Portugal shall be fixed, in accordance with the rules provided for in the common organization of the market in the sector in question, at a level corresponding to that of prices fixed in Portugal under the previous national system, for a representative period to be determined for each product.

However, should application of the foregoing subparagraph lead to Portuguese prices being fixed at a level higher than that of the common prices, the level to be adopted for fixing Portuguese prices shall be that corresponding to the prices fixed in Portugal, under the previous national arrangements, for the 1985/86 marketing year, converted by means of the conversion rate into ECU which obtained at the beginning of the marketing year of the product concerned.

If, for a given product, there is no definition of the Portuguese price, the price to be applied in Portugal shall be fixed on the basis of the prices actually recorded on Portuguese markets over a representative period to be determined.

However, in the absence of price data in respect of certain products on the Portuguese market, the price to be applied in Portugal shall be calculated on the basis of the prices obtaining in the Community as at present constituted of similar products or groups of similar products, or products with which they are in competition.

Article 237

1. Should it be found, on accession, that the variation between the price level for a product in Portugal and the common price level is minimal, the common price may be applied in Portugal for the product in question.

2. The variation referred to in paragraph 1 shall be considered as minimal where it is less than, or equal to, 3 % of the common price.

Article 238

1. If the application of the provisions of Article 236 in Portugal results in a price level different from that of the common prices, the prices in respect of which, in Section IV, reference is made to this Article shall, subject to paragraph 4, be aligned on the common prices each year at the beginning of the marketing year in accordance with paragraphs 2 and 3.

2. Where the price of a product in Portugal is lower than the common price, the move towards alignment shall be made in seven stages, the price in Portugal, at the time of the first six moves towards alignment, being increased successively, by a seventh, a sixth, a fifth, a quarter, a third and a half of the difference between the price level in that Member State and the common price level which is applicable before each move towards alignment; the price resulting from that calculation shall be increased or reduced proportionately to any rise or fall in the common price for the next marketing year; the common price shall be applied in Portugal at the time of the seventh move towards alignment.

3. (a) Where the price of a product in Portugal is higher than the common price, the price in that Member State shall be maintained at the level resulting from the application of Article 236, the moves towards alignment resulting from the development of common prices during the seven years following accession.

However, the price in Portugal shall be adjusted to the extent necessary to avoid an increase in the variation between that price and the common price.

Furthermore, if the Portuguese prices, expressed in ECU, fixed under the previous national arrangements for the 1985/86 marketing year, lead to the variation existing for the 1984/85 marketing year between the Portuguese prices and the common prices being exceeded, the price in Portugal resulting from the application of the two preceding subparagraphs shall be reduced by an amount to be determined which is equivalent to a part of the excess, in such a way that the excess is absorbed in full at the latest at the beginning of the fifth marketing year following accession.

Without prejudice to point (b), the common price shall be applied in Portugal at the time of the seventh move towards alignment.

- (b) At the end of the fifth year from the date of accession, the Council shall carry out an analysis of the development of moves towards price alignment. To that end, the Commission shall forward to the Council, within the framework of the reports referred to in Article 264 (2) (c), an opinion together with, where appropriate, adequate proposals.

If this analysis shows:

- that the variation between Portuguese prices and common prices, while being too great to be absorbed over the period still to run for price alignment under paragraph 2, can, nevertheless, seemingly be made up within a limited timespan, the period for price alignment initially laid down may be extended; in that case, prices shall be maintained at their previous level in accordance with the rule set out in (a) above,
- that the variation between Portuguese prices and common prices is too great to be made up solely by extending the period for price alignment initially laid down, it may be decided that, in addition to that extension, alignment shall be made by a progressive reduction in Portuguese prices, expressed in real terms, accompanied, if necessary, by indirect, temporary and degressive aid in order to alleviate the

degressive effect of those prices. The burden of financing such aid shall fall upon the Portuguese budget.

The Council, acting by a qualified majority and on a proposal from the Commission after consulting the Assembly, shall adopt the measures referred to in the subparagraph.

4. In the interests of the smooth functioning of the process of integration, it may be decided that, notwithstanding paragraph 2, the price of one or more products in Portugal shall for one marketing year vary from the prices resulting from the application of that paragraph.

The variation may not exceed 10% of the amount of the price move to be made.

In that event, the price level for the following marketing year shall be that which would have resulted from applying paragraph 2 if the variation had not been decided upon. A further variation from that price level may, however, be decided upon for that marketing year in accordance with the conditions in the first and second subparagraphs.

The derogation laid down in the first subparagraph shall not apply to the last move towards alignment referred to in paragraph 2.

Article 239

Where, on the date of accession or during the period of application of the transitional measures, the price on the world market for a certain product exceeds the common price, the common price may be applied in Portugal for the product in question except where the price applied in Portugal is higher than the common price.

Article 240

The differences in price levels in respect of which, in Section IV, reference is made to this Article shall be compensated for as follows:

1. For products in respect of which prices are fixed in accordance with Articles 236 and 238, the compensatory amounts applicable in trade between the Community as at present constituted and Portugal, and between Portugal and third countries, shall be equal to the difference between the prices fixed for Portugal and the common prices.

However, the compensatory amount established pursuant to the rules referred to above shall, should the need arise, be corrected by the incidence of national aids which the Portuguese Republic is authorized to maintain by virtue of Articles 247 and 248.

2. No compensatory amount shall be fixed if the application of paragraph 1 results in a minimal amount.
3. (a) In trade between Portugal and the Community as at present constituted, compensatory amounts shall be levied by the importing State or granted by the exporting State.
- (b) In trade between Portugal and third countries, levies or other import charges applied under the common agricultural policy, and, save for express derogation, export refunds, shall be reduced or increased, as the case may be, by the compensatory amounts applicable in trade with the Community as at present constituted.
- Customs duties may not, however, be reduced by the compensatory amount.

4. For products in respect of which the duty in the Common Customs Tariff is bound under the General Agreement on Tariffs and Trade, the binding shall be taken into account.
5. The compensatory amount levied or granted by a Member State in accordance with paragraph 1 may not exceed the total amount levied by that same Member State on imports from third countries, benefiting from the most-favoured-nation clause.
- The Council, acting by a qualified majority on a proposal from the Commission, may derogate from this rule, in particular in order to avoid deflections of trade and distortions of competition.
6. The Council, acting by a qualified majority on a proposal from the Commission, may derogate, in so far as is necessary for the proper functioning of the common agricultural policy, from the first subparagraph of Article 211 (1) for products to which compensatory amounts apply.

Article 241

If the world market price for a product is higher than the price used in calculating the import charge introduced under the common agricultural policy, less the compensatory amount deducted from the import charge in accordance with Article 240, or if the refund on exports to third countries is less than the compensatory amount, or if no refund is applicable, appropriate measures may be taken with a view to ensuring the proper functioning of the common organization of the market.

Article 242

1. The compensatory amounts granted shall be financed by the Community from the Guarantee Sec-

tion of the European Agricultural Guidance and Guarantee Fund.

2. Expenditure to be made by the Portuguese Republic with regard to intervention on its internal market and to the granting of refunds or subsidies for exports to third countries and other Member States shall remain national until the end of the first stage for the products referred to in Article 259.

From the second stage, this expenditure on intervention on the Portuguese internal market and on the granting of export refunds to third countries shall be financed by the Community from the Guarantee Section of the European Agricultural Guidance and Guarantee Fund.

Sub-section 3

Free movement and customs union

Article 243

The following provisions shall apply to products the importation of which from third countries into the Community as at present constituted is subject to customs duties:

1. (a) Without prejudice to point 4, customs duties on imports into the Community as at present constituted for products from Portugal shall be progressively abolished in accordance with the following timetable:
- on 1 March 1986, each duty shall be reduced to 85,7 % of the basic duty,
 - on 1 January 1987, each duty shall be reduced to 71,4 % of the basic duty,
 - on 1 January 1988, each duty shall be reduced to 57,1 % of the basic duty,
 - on 1 January 1989, each duty shall be reduced to 42,8 % of the basic duty,
 - on 1 January 1990, each duty shall be reduced to 28,5 % of the basic duty,
 - on 1 January 1991, each duty shall be reduced to 14,2 % of the basic duty,
 - on 1 January 1992, every duty shall be abolished.

However:

- for orchids, anthuriums, strelitzias and proteaceae falling within subheading ex 06.03 A of the Common Customs Tariff,
- for tomato preparations or preserves falling within subheading 20.02 C of the Common Customs Tariff,

the Community as at present constituted shall reduce its basic duties in five successive instalments of 20 % on the following dates:

- 1 March 1986,
- 1 January 1987,
- 1 January 1988,
- 1 January 1989,
- 1 January 1990.

(b) Without prejudice to point 4, customs duties on imports into Portugal for products from the Community as at present constituted shall be progressively abolished in accordance with the following timetable:

- on 1 March 1986, each duty shall be reduced to 87,5 % of the basic duty,
- on 1 January 1987, each duty shall be reduced to 75 % 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 50 % of the basic duty,
- on 1 January 1990, each duty shall be reduced to 37,5 % of the basic duty,
- on 1 January 1991, each duty shall be reduced to 25 % of the basic duty,
- on 1 January 1992, each duty shall be reduced to 12,5 % of the basic duty,
- on 1 January 1993, every duty shall be abolished.

(c) Without prejudice to point 4, and by derogation from the foregoing (a) and (b), for oil seeds and oleaginous fruit and products derived therefrom falling under Regulation No 136/66/EEC — except for vegetable oils, other than olive oil, intended for human consumption — customs duties on import shall be progressively abolished between the Community as at present constituted and Portugal in accordance with the following timetable:

- on 1 March 1986, each duty shall be reduced to 90,9 % of the basic duty,
- on 1 January 1987, each duty shall be reduced to 81,8 % of the basic duty,
- on 1 January 1988, each duty shall be reduced to 72,7 % of the basic duty,
- on 1 January 1989, each duty shall be reduced to 63,6 % of the basic duty,
- on 1 January 1990, each duty shall be reduced to 54,5 % of the basic duty,
- on 1 January 1991, each duty shall be reduced to 45,4 % of the basic duty,
- on 1 January 1992, each duty shall be reduced to 36,3 % of the basic duty,

- on 1 January 1993, each duty shall be reduced to 27,2 % of the basic duty,
- on 1 January 1994, each duty shall be reduced to 18,1 % of the basic duty,
- on 1 January 1995, each duty shall be reduced to 9 % of the basic duty,
- on 1 January 1996, every duty shall be abolished.

(d) Without prejudice to point 4, for vegetable oils, other than olive oil, intended for human consumption, the Community as at present constituted and the Portuguese Republic shall apply without change their respective basic duties during the period of application to Portugal of certain control mechanisms referred to in Article 292. On expiry of that period, the basic duties shall be progressively abolished in accordance with the following timetable:

- on 1 January 1991, each duty shall be reduced to 83,3 % of the basic duty,
- on 1 January 1992, each duty shall be reduced to 66,6 % of the basic duty,
- on 1 January 1993, each duty shall be reduced to 49,9 % of the basic duty,
- on 1 January 1994, each duty shall be reduced to 33,2 % of the basic duty,
- on 1 January 1995, each duty shall be reduced to 16,5 % of the basic duty,
- on 1 January 1996, every duty shall be abolished.

2. For the purposes of introducing the Common Customs Tariff, the Portuguese Republic shall apply in full Common Customs Tariff duties as from 1 March 1986, except for:

(a) Without prejudice to point 4, products referred to in Annex XX and products for which Portuguese basic duties are higher than those of the Common Customs Tariff, for which, for the purpose of the progressive introduction of the Common Customs Tariff, the Portuguese Republic shall amend its tariff applicable to third countries as follows:

(aa) For the tariff positions for which the basic duties do not vary by more than 15 % from the Common Customs Tariff duties, these latter duties shall apply.

(bb) In the other cases, the Portuguese Republic shall apply a duty reducing the variation between the basic duties and the Common Customs Tariff duties in eight equal instalments of 12,5 % on the following dates:

- 1 March 1986,
- 1 January 1987,

- 1 January 1988,
- 1 January 1989,
- 1 January 1990,
- 1 January 1991,
- 1 January 1992.

The Portuguese Republic shall apply the Common Customs Tariff in its entirety from 1 January 1993.

(b) Without prejudice to point 4, oil seeds and oleaginous fruit and products derived therefrom falling under Regulation No 136/66/EEC — except for vegetable oils, other than olive oil, intended for human consumption — for which, so that the Common Customs Tariff may be progressively introduced, the Portuguese Republic shall amend its tariff applicable to third countries as follows:

(aa) For the tariff headings for which the basic duties do not vary by more than 15 % from the Common Customs Tariff duties, these latter duties shall apply.

(bb) In the other cases, the Portuguese Republic shall apply a duty reducing the variation between the basic duty and the Common Customs Tariff duty in accordance with the following timetable:

- on 1 March 1986, the variation shall be reduced to 90,9 % of the initial variation,
- on 1 January 1987, the variation shall be reduced to 81,8 % of the initial variation,
- on 1 January 1988, the variation shall be reduced to 72,7 % of the initial variation,
- on 1 January 1989, the variation shall be reduced to 63,6 % of the initial variation,
- on 1 January 1990, the variation shall be reduced to 54,5 % of the initial variation,
- on 1 January 1991, the variation shall be reduced to 45,4 % of the initial variation,
- on 1 January 1992, the variation shall be reduced to 36,3 % of the initial variation,
- on 1 January 1993, the variation shall be reduced to 27,2 % of the initial variation,
- on 1 January 1994, the variation shall be reduced to 18,1 % of the initial variation,
- on 1 January 1995, the variation shall be reduced to 9 % of the initial variation.

The Portuguese Republic shall apply the Common Customs Tariff in its entirety from 1 January 1996.

(c) Without prejudice to point 4, for vegetable oils, other than olive oil, intended for human consumption, the Portuguese Republic shall apply unchanged its basic duties throughout the period of application in Portugal of certain control mechanisms referred to in Article 292.

On the expiry of that period, the Portuguese Republic shall amend its tariff applicable to third countries as follows:

(aa) For the tariff headings for which the basic duties do not vary by more than 15 % from the Common Customs Tariff duties, the latter duties shall apply.

(bb) In the remaining cases, the Portuguese Republic shall reduce the variation between the basic duties and the Common Customs Tariff duties according to the following timetable:

- on 1 January 1991, the variation shall be reduced to 83,3 % of the initial variation,
- on 1 January 1992, the variation shall be reduced to 66,6 % of the initial variation,
- on 1 January 1993, the variation shall be reduced to 49,9 % of the initial variation,
- on 1 January 1994, the variation shall be reduced to 33,2 % of the initial variation,
- on 1 January 1995, the variation shall be reduced to 16,5 % of the initial variation.

The Portuguese Republic shall apply the Common Customs Tariff in its entirety from 1 January 1996.

3. Within the meaning of points 1 and 2, the basic duty shall be that defined in Article 189.

4. For products subject to the common organization of markets, it may be decided, following the procedure laid down in Article 38 of Regulation No 136/66/EEC or, as the case may be, in the corresponding Articles of other Regulations setting up the common organization of agricultural markets, that:

(a) the Portuguese Republic, at its request, shall:

- abolish the customs duties referred to in point 1 (b), (c) and (d) or move towards the alignment referred to in point 2 (a), (b) and (c) at a more rapid rate than laid down therein,
- suspend in whole or in part the customs duties referred to in point 1 (b), (c) and

(d) applicable to products imported from the present Member States,

- suspend in whole or in part the customs duties on products imported from third countries as referred to in point 2 (a), (b) and (c):

(b) the Community as at present constituted shall:

- abolish the customs duties referred to in point 1 (a), (c) and (d) at a more rapid rate than laid down therein,
- suspend in whole or in part the customs duties referred to in point 1 (a), (c) and (d) applicable to products imported from Portugal.

For products which are not subject to the common organization of markets:

- (a) no decision is required for the Portuguese Republic to apply the measures referred to in the first and second indents of point (a) of the first subparagraph; the Portuguese Republic shall inform the other Member States and the Commission of the measures taken;
- (b) the Commission may suspend in whole or in part the customs duties applicable to products imported from Portugal.

The customs duties resulting from an accelerated alignment or the suspended customs duties may not be less than the customs duties on imports of the same products from other Member States.

Article 244

1. In trade between Portugal and the other Member States and between Portugal and third countries the system applicable in the Community as at present constituted in respect of customs duties and charges having equivalent effect and quantitative restrictions and measures having equivalent effect shall apply in Portugal from 1 March 1986, subject to any provision to the contrary in this Chapter in respect of products covered, on the date of accession by the common organization of markets.

2. In respect of products not covered, on 1 March 1986, by the common organization of markets, the abolition of charges having equivalent effect to customs duties and of quantitative restrictions and measures having equivalent effect shall take place on that date, unless they form an integral part of a national market organization in Portugal or in another Member State on the date of accession.

This provision shall apply only until the common organization of the market for these products is implemented and not later than 31 December 1995 and to

the extent strictly necessary to ensure the maintenance of the national organization.

3. The Portuguese Republic shall apply the Common Customs Tariff nomenclature as from 1 March 1986.

To the extent that no difficulties arise in the application of the Community rules and, in particular, in the functioning of the common organization of markets and of the transitional mechanisms provided for in this Chapter, the Council, acting by a qualified majority on a proposal from the Commission, may authorize the Portuguese Republic to include within this nomenclature such existing national subdivisions as would be indispensable for carrying out the progressive moves towards alignment with the Common Customs Tariff or the elimination of the duties in the Community under the conditions laid down in this Act.

Article 245

1. Until 31 December 1992, the Portuguese Republic may apply quantitative restrictions to the import from third countries of products referred to in Annex XXI.

2. (a) The quantitative restrictions referred to in paragraph 1 shall consist of annual quotas opened without discrimination between economic operators.

(b) The initial quota in 1986 for each product, expressed, as the case may be, in ECU, shall be fixed:

- either at 3 % of the average of Portuguese annual production over the last three years before accession for which statistics are available,
- or at the average of Portuguese imports realized over the last three years before accession for which statistics are available, if this latter criterion were to lead to a higher volume or amount.

3. The minimum rate of progressive increase of the quotas shall be 20 % at the beginning of each year with respect to the quotas expressed in terms of value, and 15 % at the beginning of each year with respect to the quotas expressed in terms of volume.

The increase shall be added to each quota and the subsequent increase shall be calculated on the basis of the total figure obtained.

4. Where imports made to Portugal over two consecutive years are less than 90 % of the annual quota opened, the quantitative restrictions in force in Portugal shall be abolished.

5. For the period 1 March to 31 December 1986 the applicable quota shall be equal to the initial quota reduced by one-sixth.

Sub-section 4

Aid

Article 246

1. The provisions of this Article shall apply to aid, premiums or other similar amounts set up under the common agricultural policy in respect of which reference is made to this Article in Section IV.

2. For the purposes of applying Community aid in Portugal, the following provisions shall apply:

(a) The level of Community aid to be granted for a given product in Portugal from 1 March 1986 shall be equal to an amount defined on the basis of aids granted by the Portuguese Republic, during a representative period to be determined, under the previous national arrangements. However, that amount may not exceed the amount of aid granted on 1 March 1986 to the Community as at present constituted. If no similar aid was granted under the previous national arrangements, and subject to the following provisions, no aid shall be granted in Portugal on 1 March 1986.

(b) At the start of the first marketing year or, in the absence thereof, during the first period of application of the aid following accession:

— either Community aid shall be introduced in Portugal at a level representing one-seventh of the amount of Community aid applicable for the ensuing marketing year or period,

— or the level of Community aid in Portugal shall, where a difference exists, be aligned on the level of aid applicable in the Community as at present constituted for the ensuing marketing year or period by one-seventh of the difference existing between those two aids.

(c) At the start of the following marketing years or periods of application, the level of Community aid in Portugal shall be aligned on the level of aid applicable in the Community as at present constituted for the ensuing marketing year or period successively by one-sixth, one-fifth, one-quarter, one-third and half the difference existing between those two aids.

(d) The level of Community aid shall be applied in its entirety in Portugal at the start of the seventh marketing year or period of application of the aid following accession.

Article 247

1. Without prejudice to Article 246, the Portuguese Republic shall be authorized to maintain national aids, the abolition of which would not fail to have serious consequences for both producer and consumer prices. However, such aids can only be maintained on a transitional and, in principal, degressive basis, until not later than the end of the period of application of the transitional measures.

2. The Council, acting in accordance with Article 258, shall adopt the necessary measures for the implementation of the provisions of this Article. These measures shall include, in particular, the list and the exact wording of the aids referred to in paragraph 1, the amount of the aids, the timetable of their abolition, any degressivity scale and the detailed rules necessary to ensure the proper functioning of the common agricultural policy; these detailed rules must, in addition, ensure equal access to the Portuguese market.

3. Should the need arise, a derogation may be made, during the period of application of the transitional measures, from the degressivity scale referred to in paragraph 2.

Article 248

1. In exceptional and duly substantiated cases, the Portuguese Republic shall be authorized to reintroduce, chargeable to its budget, temporary production aids, provided that such aids were granted under the previous national arrangements and that abolition thereof before accession proves to have had serious consequences on production.

2. The national aids referred to in paragraph 1 may only be re-introduced on a temporary and, in principle, degressive basis until the end of the period of application of the transitional measures at the latest.

The Council, acting by a qualified majority on a proposal from the Commission shall adopt, where necessary, the necessary measures which should contain the same detailed rules and elements as those referred to in Article 247 (2).

Sub-section 15

Supplementary trade mechanism

Article 249

1. A supplementary mechanism applicable to trade between the Community as at present constituted and

Portugal shall be set up, hereinafter referred to as 'the STM' (supplementary trade mechanism).

The STM shall apply from 1 March 1986 to 31 December 1995.

2. Products appearing on the list in Annex XXII shall be subject to the STM.

The list referred to in Annex XXII may be supplemented, in accordance with the procedure laid down in Article 250, during the first three years following accession.

3. The Commission shall submit at the beginning of each year a report to the Council on the functioning of the STM during the previous year.

Article 250

1. An *ad hoc* Committee shall be established consisting of representatives of the Member States and chaired by a representative of the Commission.

2. Within the *ad hoc* Committee the votes of Member States shall be weighted in accordance with Article 148 (2) of the EEC Treaty. The chairman shall not vote.

3. Where the procedure laid down in this Article is referred to, the chairman shall forthwith refer the matter to the Committee, either on his own initiative or at the request of a Member State.

4. The representative of the Commission shall submit a draft of the measures to be adopted. The Committee shall deliver its opinion on those measures within a time limit set by the chairman according to the urgency of the issues submitted to him for examination. The Committee shall take a decision by a majority of 54 votes.

5. The Commission shall adopt measures and shall apply them immediately where they are in accordance with the opinion of the Committee. If they are not in accordance with the opinion of the Committee, or in the absence of any opinion, the Commission shall forthwith submit to the Council a proposal relating to the measures to be taken. The Council shall adopt the measures on a qualified majority.

If, on the expiry of one month from the date on which the matter was referred to it, the Council has not adopted any measures, the Commission shall adopt the proposed measures and apply them immediately, save in the case where the Council has decided by a simple majority against the said measures.

Article 251

1. As a general rule, at the start of each marketing year, a forward estimate shall be drawn up, in accord-

ance with the procedure set out in Article 38 of Regulation No 136/66/EEC or, as the case may be, in the corresponding Articles of the other Regulations on the common organization of agricultural markets, for each of the products or groups of products subject to the STM.

This estimate shall be drawn up on the basis of production and consumption estimates in Portugal or in the Community as at present constituted; on the basis of this estimate, a forward timetable shall be drawn up for the marketing year in question in accordance with the same procedure on development in trade and on fixing a target import ceiling in the market in question.

For the period 1 March 1986 until the beginning of the 1986/87 marketing year, for each of the products or groups of products, a specific estimate shall be drawn up.

2. The successive fixings of target ceilings must reflect a certain progress in relation to traditional trade flows, so as to ensure a harmonious and gradual opening up of the market and the full realization of free movement within the Community on the expiry of the period of application of transitional measures.

To that end, an annual rate of progress for the ceiling shall be determined in accordance with the procedure referred to in paragraph 1. Within the framework of the overall target ceiling, ceilings may be fixed corresponding to the different periods of the marketing year in question.

Article 252

1. Should the examination of developments in intra-Community trade show that a significant increase in imports has taken place or is forecast and if that situation should result in the target import ceiling for the product being reached or exceeded for the current marketing year or part thereof, the Commission, at the request of a Member State or on its own initiative, shall decide, in accordance with emergency procedures, on:

- the interim protective measures that are necessary and which shall apply until the entry into force of the definitive measures provided for in paragraph 3,
- convening the Management Committee of the sector concerned, with a view to examining appropriate measures.

2. Should the situation referred to in paragraph 1 cause a serious disturbance on the market, a Member State may request the Commission to take the interim protective measures referred to in paragraph 1 immediately. To that end the Commission shall take a decision within 24 hours of receiving the request.

Should the Commission not take a decision within that period, the requesting Member State may take interim protective measures, which shall be immediately notified to the Commission.

These measures shall remain applicable until such time as the Commission has acted on the request referred to in the first subparagraph.

3. Definitive measures shall be adopted as soon as possible following the procedure set out in Article 38 of Regulation No 136/66/EEC or, as the case may be, in the corresponding Articles of other Regulations on the common organization of agricultural markets.

These measures may include, in particular:

- (a) the revision of the target ceiling, if the market in question has not suffered significant disturbances following the development of imports;
- (b) based on the seriousness of the situation, assessed in particular on the basis of the trend in market prices and in the quantities which form the subject of trade, the limitation or suspension of imports on to the market of the Community as at present constituted or on to the Portuguese market.

The restrictive measures referred to in (b) may be taken only to the extent, and for such time as is strictly necessary, to put an end to the disturbance. With regard to the Community as at present constituted, those measures may be limited to imports intended for certain of its regions, provided that they include appropriate provisions to avoid deflections of trade.

4. The application of the STM may in no event lead to products coming from Portugal or from the Community as at present constituted being treated in a less favourable manner than those coming from third countries benefiting from the most-favoured-nation clause, which are sold in the regions concerned.

Sub-section 6

Other provisions

Article 253

In order to improve the structural situation in Portugal the following measures shall apply:

- (a) the implementation, from the interim period, of definite preparatory measures for adopting and applying the 'acquis communautaire' particularly in the field of production, processing and marketing structures and in that of producers' associations;

- (b) the application in Portugal, from the date of accession, of Community rules in the socio-structural field including those relating to producers' associations;
- (c) the extension, to the advantage of Portugal, within the framework of the rules referred to in (b), of the most favourable specific provisions existing at that date, in horizontal Community rules, to the least-favoured areas of the Community as at present constituted;
- (d) in addition, the implementation of additional structural measures in favour of Portugal in the form of a specific programme for the development of Portuguese agriculture.

The Council, acting under the conditions laid down in Article 258, shall adopt, if necessary, the measures or the detailed rules of such measures referred to in the first paragraph.

Article 254

Any stock of products in free circulation in Portuguese territory on 1 March 1986 which in quantity exceeds what may be considered representative of a normal carry-over stock must be eliminated by and at the expense of the Portuguese Republic under Community procedures to be specified, and within the time limits to be determined, under the conditions provided for in Article 258. The concept of normal carry-over stock shall be defined for each product on the basis of the criteria and objectives particular to each common organization of the markets.

Article 255

In fixing the level of the various amounts laid down within the common agricultural policy, except for the prices referred to in Article 236, account shall be taken of the compensatory amount applied or, in the absence thereof, of the difference in prices recorded or economically justified and, where appropriate, of the incidence of customs duties, except in the following circumstances:

- where there is no likelihood that trade will be disturbed, or
- where the smooth running, of the common agricultural policy requires that this amount, difference or incidence be not taken into account or renders such taking into account undesirable.

Article 256

1. The Council, acting in accordance with the conditions provided for in Article 258, shall adopt the arrangements applicable by the Portuguese Republic with regard to the Kingdom of Spain.
2. The measures made necessary in trade between the new Member States and the Community as at present constituted, for the implementation of the arrange-

ments referred to in paragraph 1, shall be adopted, as the case may be, under the conditions laid down in Article 258 or following the procedure laid down in Article 234 (2).

Article 257

1. If transitional measures are necessary to facilitate the passage from the existing arrangements in Portugal to those resulting from the application of the common organization of the markets as provided for in this Title, particularly if for certain products the implementation of the new arrangements on the scheduled date meets with appreciable difficulties in the Community, such measures shall be adopted following the procedure provided for in Article 38 of Regulation No 136/66/EEC or, as the case may be, in the corresponding Articles of the other Regulations on the common organization of agricultural markets. Such measures may be taken during the period up to 31 December 1987, but their application may not extend beyond that date.

2. The Council may, acting unanimously on a proposal from the Commission and after consulting the Assembly, extend the period referred to in paragraph 1.

Article 258

1. The transitional measures relating to the application of acts concerning the common agricultural policy and not specified in this Act, including the field of structures, which are rendered necessary by the accession shall be adopted before accession in accordance with the procedure laid down in paragraph 3 and shall enter into force on the date of accession at the earliest.

2. The transitional measures referred to in paragraph 1 shall be those indicated in Articles 247, 253, 254, 256, 263 (2) and 280.

3. The Council, acting by a qualified majority on a proposal from the Commission, or the Commission, deciding in accordance with the procedure referred to in Article 257 (1), shall adopt the transitional measures referred to in paragraph 1 of this Article depending on which of those institutions adopted the initial acts, affected by those measures.

Section III

Transition by stages

Sub-section 1

Scope

Article 259

1. Products falling within the following acts shall be subject to a transition by stages:

- Regulation (EEC) No 804/68 on the common organization of the market in milk and milk products,
- Regulation (EEC) No 805/68 on the common organization of the market in beef and veal,
- Regulation (EEC) No 1035/72 on the common organization of the market in fruit and vegetables,
- Regulation (EEC) No 2727/75 on the common organization of the market in cereals,
- Regulation (EEC) No 2759/75 on the common organization of the market in pigmeat,
- Regulation (EEC) No 2771/75 on the common organization of the market in eggs,
- Regulation (EEC) No 2777/75 on the common organization of the market in poultrymeat,
- Regulation (EEC) No 1418/76 on the common organization of the market in rice,
- Regulation (EEC) No 337/79 on the common organization of the market in wine.

2. Glucose and lactose falling under Regulation (EEC) No 2730/75 and ovalbumin and lactalbumin falling under Regulation (EEC) No 2783/75 shall be subject to the same transitional arrangements as those applicable to the corresponding agricultural products.

Article 260

1. The transition by stages shall consist of two periods of five years:

- the first stage shall begin on 1 March 1986 and end on 31 December 1990,
- the second stage shall begin on 1 January 1991 and end on 31 December 1995.

The transition from the first to the second stage shall take place automatically.

2. Notwithstanding paragraph 1, the Council, acting by a qualified majority on a proposal from the Commission and after consulting the Assembly, may reduce the length of the first stage to a period of three years expiring on 31 December 1988. In that case the second stage shall begin on 1 January 1989 and end on 31 December 1995.

Sub-section 2

First stage

A. Portuguese domestic market

Article 261

1. During the first stage, the Portuguese Republic shall be authorized to maintain, for the products referred to in Article 259, the rules in force under its previous national arrangements for the organization of its domestic agricultural market, under the conditions laid down in Articles 262 to 265 and subject to the special provisions of the section concerning certain products.

2. As a consequence thereof, and by way of derogation from Article 394, the application to Portugal of the Community rules on the organization of the internal market shall be postponed until the end of the first stage.

Furthermore, and unless provision is made otherwise in specific cases, the application to the Community as at present constituted and to Portugal of amendments made to the Community rules under Article 396 shall be postponed until the end of the first stage.

Article 262

In order that Portuguese agriculture may be harmoniously integrated into the framework of the common agricultural policy at the end of the first stage, the Portuguese Republic shall progressively adjust the organization of its market on the basis of a certain number of general objectives supplemented by variable specific objectives according to the sectors concerned.

Article 263

1. The general objectives referred to in Article 262 consist in achieving:

- an appreciable improvement in the conditions of production, processing and marketing of agricultural products in Portugal,
- an overall improvement in the structural situation of the Portuguese agricultural sector.

2. In order to further the achievement of the general objectives, the following measures shall apply for the products referred to in Article 259:

- (a) the implementation, from the interim period, of concrete preparatory measures for adopting and applying the 'acquis communautaire' particularly in the field of production, processing and market-

ing structures and in that of producers' organizations;

- (b) the application in Portugal, from the date of accession, of Community rules in the socio-structural field, including those relating to producers' organizations;
- (c) the extension, to the advantage of Portugal, within the framework of the rules referred to under (b), of the most favourable specific provisions existing at that date, in horizontal Community rules, to the least-favoured areas of the Community as at present constituted;
- (d) in addition, the implementation of structural measures in favour of Portugal in the form of a specific programme for the development of Portuguese agriculture.

The Council, acting under the conditions laid down in Article 258, shall adopt, if necessary, the measures or the detailed rules of such measures referred to in the first paragraph.

Article 264

1. The specific objectives referred to in Article 262 appear, according to the product sector concerned, in Section V.

2. (a) For the purposes of achieving the specific objectives, the Commission shall draw up during the interim period, in close cooperation with the Portuguese authorities, an action programme.

(b) Thereafter the Commission shall follow closely the development of the situation in Portugal in the light of:

- progress made towards achievement of the set objectives,
- results obtained through the implementation of horizontal specific structural measures.

(c) The Commission shall express its opinion on this development in reports which it shall forward to the Council:

- at the end of the interim period with a view to establishing a record of the developments that occurred before the date of accession,
- in good time before the end of the third year following accession,
- at any other time it may deem it useful or necessary.

(d) Taking into account, in particular, Council discussions on the reports referred to in (c), the Commission may formulate, if necessary, recommendations to the Portuguese Republic with regard to measures which should be taken with a view to achieving the objectives in question.

During the first stage the Portuguese Republic shall apply the following disciplines:

1. A price discipline:

- (a) Where Portuguese prices, expressed in ECU, are less than or equal to the common prices:

— without prejudice to price harmonization in the milk and milk products sector referred to in Article 309 (d), annual increases in prices may not exceed, in value, the increase in common prices,

— however:

- (aa) in the event that Portuguese prices are lower than the common prices and where, in accordance with the aid discipline referred to in (c), the abolition of certain aids — either granted directly to products at primary production level, or granted to the means of production — leads to a reduction in income for Portuguese producers, an increase supplementary to that referred to in the first indent, limited to the impact, on the producers' income, of the abolished aids, may be applied;

- (bb) with regard to products falling within heading No 22.05 of the Common Customs Tariff, for which institutional prices are fixed, the annual increase in Portuguese prices may reach, without exceeding it, the level of the instalment resulting from a price alignment made over 10 years.

In no event may Portuguese prices exceed the level of common prices.

For the purposes of applying the price discipline defined in this paragraph (a), the level of Portuguese prices to be taken into account in the first marketing year following accession shall be the level of Portuguese prices fixed for the 1985/86 marketing year, converted into ECU at the rate valid at the start of that marketing year for the products in question.

- (b) Should the length of the first stage not be reduced in accordance with Article 260 (2), and where Portuguese prices are less than common prices, the Portuguese Republic shall, during the fifth year of the first stage, at the start of the marketing year of the product in question, make a price alignment move towards the level of common prices applicable for the same year, following detailed rules to be determined.

To that end, the Portuguese prices to be aligned shall be the prices expressed in ECU, at the level reached on 31 December 1989, in accordance with the rules of the price discipline referred to in paragraph (a).

- (c) Where the level reached by Portuguese prices for the 1985/86 marketing year, expressed in ECU by means of the conversion rate which was valid at the start of the marketing year of the product concerned, is higher than the level of the common prices, the level of the Portuguese prices may not be increased in relation to its previous level.

Furthermore, if the Portuguese prices, expressed in ECU, fixed under the previous national arrangements for the 1985/86 marketing year, lead to the variation existing for the 1984/85 marketing year between the Portuguese prices and the common prices being exceeded, the Portuguese Republic shall fix its prices for subsequent marketing years in such a way that this variation is totally absorbed during the first seven marketing years following accession.

Furthermore, Portugal shall adjust its prices to the extent necessary to avoid an increase in the variation between its prices and the common prices.

- (d) The Commission shall ensure the observance of the rules referred to above. Any price movement overrun which may arise therefrom shall not be taken into consideration when determining the price level to be adopted as the starting level for moves towards price alignment during the second phase referred to in Article 285.

2. An aid discipline:

Under this discipline, and without prejudice to Article 248, the Portuguese Republic shall be authorized to maintain its national aid during the first stage.

However, during that period, the Portuguese Republic shall ensure that a certain dismantling of national aid, which does not comply with Community law, takes place and that the Community aid plan is progressively introduced in the organization of its domestic market without the level of that aid exceeding the common level.

3. A production discipline:

Under this discipline the Portuguese Republic shall take the necessary measures to avoid a situation whereby, in sectors for which Community regulations establish production discipline rules:

- any production increases occurring in its territory during the first stage lead to a worsening of the overall Community production situation,
- the adoption of the 'acquis communautaire' from the start of the second phase is made more difficult.

Article 266

1. Before the end of the first stage at the latest:
 - the Commission shall, if necessary, forward a report to the Council, together with proposals, on the development of the situation in one or several sectors referred to in Article 259 in relation to the objectives set for the duration of the first stage,
 - the Council, acting unanimously on proposals from the Commission and after consulting the Assembly, shall decide on any necessary adjustments to the transition procedure within the maximum period of ten years laid down for the application of the transitional measures, and for such period of time as is strictly necessary in order to ensure the functioning of the common organization of the markets.
2. Paragraph 1 shall not affect the automatic nature of the transition from the first to the second stage provided for in Article 260(1) and may not lead to an amendment of Articles 371 to 375.

B. Arrangements applicable in trade between the Community as at present constituted and Portugal

Article 267

Subject to Articles 268 to 276 and Section V, the Portuguese Republic shall be authorized to apply in its trade with the Community as at present constituted, during the first stage and for the products referred to in Article 259, the arrangements in force before its accession for that trade, both with regard to imports and exports.

Article 268

1. Subject to paragraph 2, the Portuguese Republic shall eliminate, from 1 March 1986, any levy of customs duties and of charges having equivalent effect on the import of products from the Community as at present constituted.
2. For the products referred to in Article 259, for which imports from third countries into the Community as at present constituted are subject to the

application of customs duties, the following provisions shall apply with a view to a progressive abolition of those duties over the first and second stages:

- (a) Customs duties applicable to imports into the Community as at present constituted of products from Portugal shall be abolished in accordance with the following timetable:
 - on 1 March 1986, each duty shall be reduced to 88,9 % of the basic duty,
 - on 1 January 1987, each duty shall be reduced to 77,8 % of the basic duty,
 - on 1 January 1988, each duty shall be reduced to 66,7 % of the basic duty,
 - on 1 January 1989, each duty shall be reduced to 55,6 % of the basic duty,
 - on 1 January 1990, each duty shall be reduced to 44,5 % of the basic duty,
 - on 1 January 1991, each duty shall be reduced to 33,4 % of the basic duty,
 - on 1 January 1992, each duty shall be reduced to 22,3 % of the basic duty,
 - on 1 January 1993, each duty shall be reduced to 11,2 % of the basic duty,
 - on 1 January 1994, every duty shall be abolished.

However:

- for quality liqueur wines produced in specified regions, falling within heading No 22.05 of the Common Customs Tariff, the Community as at present constituted shall reduce its basic duties in three instalments in accordance with the following timetable:
 - on 1 March 1986, each duty shall be reduced to 66,7 % of the basic duty,
 - on 1 January 1987, each duty shall be reduced to 33,4 % of the basic duty,
 - on 1 January 1988, every duty shall be abolished,
- for 'vinhos verdes' and Dão wines falling within heading No 22.05 of the Common Customs Tariff, the Community as at present constituted shall reduce its basic duties in four equal successive instalments of 25 % on the following dates:
 - 1 March 1986,
 - 1 January 1987,
 - 1 January 1988,
 - 1 January 1989,
- for other wines treated in the same way as quality wines psr, falling within heading No 22.05 of the Common Customs Tariff, the Community as at present constituted shall

reduce its basic duties in six instalments in accordance with the following timetable:

- on 1 March 1986, each duty shall be reduced to 83,3 % of the basic duty,
- on 1 January 1987, each duty shall be reduced to 66,6 % of the basic duty,
- on 1 January 1988, each duty shall be reduced to 49,9 % of the basic duty,
- on 1 January 1989, each duty shall be reduced to 33,2 % of the basic duty,
- on 1 January 1990, each duty shall be reduced to 16,5 % of the basic duty,
- on 1 January 1991, every duty shall be abolished.

(b) Customs duties applicable to imports into Portugal of products referred to in Article 259 from the Community as at present constituted shall be progressively abolished in accordance with the following timetable:

- on 1 March 1986, each duty shall be reduced to 90,9 % of the basic duty,
- on 1 January 1987, each duty shall be reduced to 81,8 % of the basic duty,
- on 1 January 1988, each duty shall be reduced to 72,7 % of the basic duty,
- on 1 January 1989, each duty shall be reduced to 63,6 % of the basic duty,
- on 1 January 1990, each duty shall be reduced to 54,5 % of the basic duty,
- on 1 January 1991, each duty shall be reduced to 45,4 % of the basic duty,
- on 1 January 1992, each duty shall be reduced to 36,3 % of the basic duty,
- on 1 January 1993, each duty shall be reduced to 27,2 % of the basic duty,
- on 1 January 1994, each duty shall be reduced to 18,1 % of the basic duty,
- on 1 January 1995, each duty shall be reduced to 9 % of the basic duty,
- on 1 January 1996, every duty shall be abolished.

However:

- where, during the first stage, for one of the products referred to in Annex XXIII, a ceiling is placed on the duty resulting from the application of the preceding subparagraph in accordance with Article 191 at the level of duty applicable on import into Portugal from a third country benefiting from the most-favoured nation clause, and
- where the situation persists at the beginning of the second stage,

the progressive abolition of the residual duty shall take place during the second stage starting from the

level of duty actually applied at the beginning of the second stage in accordance with a timetable to be determined.

3. Within the meaning of paragraphs 1 and 2, the basic duty shall be that defined in Article 189.

However:

- for the application of paragraph 2 (b), and with the exception of the basic duty applicable to products referred to in Annex XXIII, the basic duty may not exceed the level of the Common Customs Tariff duty,
- for quality liqueur wines produced in specified regions for 'vinhos verdes' and Dão wines, the basic duties shall be those actually applied under the tariff quotas of the previous arrangements. The tariff quotas applied under these previous arrangements shall be abolished from 1 March 1986.

4. The provisions of Article 243 (4) shall apply *mutatis mutandis* during the period of abolition of the customs duties referred to in paragraph 2. However, where Article 243 (4) makes provision, with regard to the Portuguese Republic, for a decision following the procedure described in the first subparagraph of that paragraph, the Portuguese Republic may act without that procedure; in that case it shall inform the other Member States and the Commission of the measures taken.

Unless this Article or Article 243 (4) provide otherwise, Articles 189 to 195 shall also apply.

Article 269

1. Subject to paragraph 2, the Portuguese Republic shall, from 1 March 1986, eliminate the application of all quantitative restrictions and all measures having equivalent effect on imports of products referred to in Article 259 coming from the Community as at present constituted.

2. (a) Until the end of the first stage, the Portuguese Republic may maintain quantitative restrictions on imports coming from the Community as at present constituted of the products referred to in Annex XXIII.
- (b) The quantitative restrictions referred to in (a) shall consist of annual quotas opened without discrimination between economic operators.

The initial quota in 1986 for each product, expressed as the case may be in terms of volume or in ECU, shall be fixed:

- either at 3 % of the average of Portuguese annual production during the last three

- years before accession for which statistics are available,
- or at the average of Portuguese imports made over the last three years before accession for which statistics are available, where this criterion results in a greater volume or amount.

(c) The minimum rate of progressive increase of the quotas shall be 15 % at the beginning of each year with respect to the quotas expressed in terms of value, and 10 % at the beginning of each year with respect to the quotas expressed in terms of volume.

The increase shall be added to each quota and the following increase shall be calculated on the basis of the total figure obtained.

- (d) Where imports into Portugal during two consecutive years are less than 90 % of the annual quota opened, Portugal shall abolish the quantitative restrictions in force.
- (e) For the period running from 1 March to 31 December 1986 the applicable quota shall be equal to the initial quota reduced by one-sixth.

Article 270

1. During the first stage, the Portuguese Republic shall apply to the import of products referred to in Article 259 from the Community as at present constituted a system of price equalization or, of specific protection, such as that laid down by Community rules for imports from third countries. This system must be based on criteria identical to those adopted by Community rules to determine the parameters of price equalization or of the level of specific protection.

2. For those of the products referred to in Article 259 which are not subject to restrictions in trade between Portugal and the present Member States or between Portugal and third countries under Articles 269 and 280 respectively, the Portuguese Republic may apply until 31 December 1988 a system of statistical information prior to import. However, this system, which includes the issue of a national import document, must provide for the automatic issue of that document within a time limit of four working days from the date of lodging the request; should the document not be delivered within the set time limit, the import may take place without let or hindrance.

Within the framework of the report referred to in the second indent of Article 264 (2) (c), the Commission shall, where appropriate, submit proposals to the Council regarding the retention of that system during the remaining period of the first stage for products for which such retention proves necessary.

3. The Portuguese Republic shall communicate to the Commission, at the latest three months before the date of accession, the detailed rules of the systems referred to in paragraphs 1 and 2.

After having examined it, the Commission shall forward this communication to the other Member States.

Article 271

During the first stage, the Portuguese Republic may grant, for the products referred to in Article 259 exported to the present Member States, export aids or subsidies.

However, the amount of any such aids or subsidies shall be limited to not more than the variation between prices recorded in Portugal and in the Community as at present constituted and, where appropriate, to the amount of customs duty.

Such aids or subsidies may not be fixed until the consultation procedure referred to in Article 276 has taken place.

Article 272

1. During the first stage and subject to the provisions of Articles 268 (2) (a) and 316, the Community as at present constituted shall apply to the import of products referred to in Article 259 from Portugal the arrangements that it applied to Portugal before accession.

2. However, for products subject to a Community system of import levies, account shall be taken, when levies applicable to products imported from Portugal are fixed, of any price alignment that may have taken place and, where appropriate, the amount of national aid granted in Portugal.

3. In trade between the Community as at present constituted and third countries, during the first stage, statistics relating to the Portuguese market shall not be adopted for the purposes of calculating the common prices which serve to determine the amounts levied on imports.

Article 273

1. During the first stage, the fixed component intended to ensure the protection of the processing industry which forms part of the calculation of the charge on imports from third countries of products falling under the common organization of the markets in the cereals and rice sectors shall be levied on the import into Portugal of products coming from the present Member States.

2. Notwithstanding paragraph 1, the protection component to be levied during the first stage on the import into Portugal of the products referred to in Annex XXIV shall be fixed opposite each entry.

Article 274

1. Without prejudice to the application of the general protective clause referred to in Article 379, the Portuguese Republic shall be authorized to adopt protective measures against the import of products referred to in Article 259 coming from the present Member States under the conditions and on the basis of criteria comparable to those existing under the framework of each common organization of markets for the application of protective measures with regard to third countries.

2. The Portuguese Republic shall, without delay, notify the Commission of these measures so as to allow it to make, where appropriate, remarks as to the justification, the nature or the duration of the protective measures decided upon.

The procedure shall be without prejudice to the applicability of the means of redress provided under the EEC Treaty.

3. No protective measure may be adopted if, at least, the same measure is not, at the same time, applicable to imports into Portugal of the same products from third countries.

Article 275

1. During the first stage the Community as at present constituted shall apply to the export of products referred to in Article 259 to Portugal the arrangements that it applies to exports with regard to third countries.

2. However, the amount of any applicable refund shall be limited to not more than the variation between prices recorded in the Community as at present constituted and Portugal and, where appropriate, to the amount of customs duty.

Such refunds may not be fixed until the consultation procedure referred to in Article 276 has taken place.

3. The refunds referred to in this Article shall be financed by the Community under the Guarantee Section of the European Agricultural Guidance and Guarantee Fund.

Article 276

The implementation by the Portuguese Republic of the aids or subsidies referred to in Article 271 or by the

Community of the refunds referred to in Article 275 shall be subject to prior consultations which shall take place in accordance with the following procedure:

1. Any proposal for fixing:

- a subsidy for exports from Portugal to the Community as at present constituted or to third countries, or
- a refund for exports from the Community as at present constituted to Portugal

shall form the subject of an exchange of views within the framework of periodical meetings of the Management Committee set up by the common organization of the market within which the product in question falls.

2. The Commission representative shall submit the proposal referred to in point 1 for examination; this examination shall concern itself in particular with the economic aspects of the envisaged exports and with the situation and the level of prices on the Portuguese market, on that of the Community as at present constituted and on the world market.

3. The Committee shall deliver an opinion on the proposal within a time limit which the Chairman may lay down according to the urgency of the matter. The opinion shall be delivered by a majority of 54 votes.

The opinion shall be forthwith forwarded to the authority competent for fixing, namely the Portuguese Republic or the Commission, as the case may be.

4. In the event of a negative opinion the competent authority:

- may not apply a fixing measure which does not comply with the opinion until after the expiry of a period of 10 working days calculated from the date on which the Committee delivered its opinion.
- shall immediately communicate the fixing measure to the Council, which may discuss it and recommend the competent authority to amend its fixing proposal or decision.

C. *Arrangements applicable in trade between Portugal and third countries*

Article 277

1. For the products referred to in Article 259 and, subject to Articles 278 to 282, the Portuguese Republic shall apply, from 1 March 1986, the Community rules on the arrangements applicable to importation into the Community of products imported from third countries, as defined in Article 272 (3).

2. However, the levies applicable on import shall, where appropriate, be increased by the variation which exists between the prices applicable in Portugal and the common prices.

Article 278

1. The Portuguese Republic shall apply the Common Customs Tariff duties in their entirety from 1 March 1986 for the products referred to in Article 259 with the exception of products appearing in Annex XXV to which the Common Customs Tariff shall be applied at the beginning of the second stage at the latest.

2. Point 4 of Article 243 shall apply *mutatis mutandis* during the first stage to products appearing in Annex XXV.

Unless this Article or point 4 of Article 243 provides otherwise, Articles 197 to 201 shall also apply.

Article 279

The components intended to ensure the protection of the processing industry referred to in Article 273 and appearing in Annex XXIV shall replace, during the first stage, with regard to the charge levied by Portugal on imports from third countries, the Community protection component.

Article 280

Until 31 December 1995 the Portuguese Republic may maintain, in accordance with detailed rules to be determined by the Council acting under the conditions laid down in Article 258, quantitative restrictions on imports from third countries of the products referred to in Annex XXVI.

Article 281

Articles 270 (2) and 274 shall apply *mutatis mutandis* to trade between Portugal and third countries.

Article 282

The Portuguese Republic shall be authorized to postpone until the beginning of the second stage the progressive application to imports of preferences granted, unilaterally or by agreement, by the Community to certain third countries.

Article 283

1. For the products referred to in Article 259, and subject to paragraph 2 of this Article, the Portuguese

Republic shall be authorized to maintain, during the first stage, for exports to third countries, the arrangements in force before its accession for such trade.

2. The amount of aid or subsidies granted, where appropriate, by the Portuguese Republic for exports to third countries must be limited to the amount that is strictly necessary in order to ensure the disposal of the product in question on the market of destination.

Such aid or subsidies may not be implemented until the procedure referred to in Article 276 has taken place. These consultations shall concern, in particular, the economic aspects of the envisaged exports, the prices adopted for their calculation and the situation of the markets of origin and of destination.

Sub-section 3

Second stage

Article 284

1. As from the second stage, Community rules relating to the products referred to in Article 259 shall apply in full subject to Articles 239, 240, 241, 242 (1), 249 to 253, 255, 256, 268, 279, 285 to 288 and to the specific provisions applicable to certain products, referred to in Section V.

2. However, the compensatory amount established in accordance with the rules of Article 240 shall, where appropriate, be corrected by the amount of national aid which the Portuguese Republic is authorized to maintain pursuant to Article 286.

Article 285

1. (a) Where, in accordance with Article 260 (1), the second stage is of five years' duration, the prices to be applied in Portugal shall be fixed, until the first of the moves towards alignment referred to in paragraph 2 of this Article, at the same level as that resulting from application of Article 265 (1).
- (b) Where, in accordance with Article 260 (2), the second stage is of seven years' duration, the prices to be applied in Portugal shall be, until the first of the moves towards alignment referred to in paragraph 2 of this Article, the prices, expressed in ECU, fixed in accordance with the rules provided for under the common organization of the markets in the sector concerned, at the level reached on 31 December 1988 in accordance with the rules for prices discipline set out in point 1 of Article 265.

2. If application of paragraph 1 results in Portugal in a price level which is different from that of the common prices, the prices for which reference is made in Section V to this Article shall, subject to paragraph 6, be aligned on the common prices, each year at the beginning of the marketing year pursuant to paragraphs 3 and 4.

3. Where, for a given product, the price in Portugal is lower than the common price, the move towards alignment shall be carried out:

- in five years, when the second stage is of five years' duration; in this case, the price in Portugal shall be increased during the four first moves to alignment successively by one-fifth, one-quarter, one-third and by one-half of the difference between the level of the Portuguese price and the level of the common prices which are applicable before each move to alignment,
- in seven years, when the second stage is of seven years' duration; in this case, the price in Portugal shall be increased during the first six moves to alignment successively by one-seventh, one-sixth, one-fifth, one-quarter, one-third and by one-half of the difference between the level of the Portuguese price and the level of the common prices which are applicable before each move to alignment.

The price resulting from the calculation carried out under one of the foregoing two indents shall be increased or decreased in proportion to the increase or decrease, if any, in the common price for the marketing year to come.

The common price shall be applied in Portugal in 1995 at the beginning of the marketing year for the product concerned.

4. (a) Where, for a given product, the price in Portugal is higher than the common price, the price in that Member State shall be maintained at the level referred to in paragraph 1, with the move to alignment resulting from the development in common prices, as the case may be, over the five or seven years respectively of the second stage.

However, the price in Portugal shall be adjusted to the extent necessary to avoid any increase in the variation between this price and the common price.

Without prejudice to paragraph (b), the common price shall be applied in Portugal in 1995, at the beginning of the marketing year for the product concerned.

(b) Before the end of the eighth year following the date of accession, the Council shall carry out an analysis of the development in the moves to price alignment. To this end, the Commission shall forward to the Council, within the framework of the reports referred to in Article 264 (2) (c), an opinion accompanied, where appropriate, by adequate proposals.

If this analysis shows:

- that the variation between the Portuguese prices and the common prices, while being too great to be absorbed over the period still to be run for the move to the alignment of prices pursuant to paragraph 2, nevertheless appears capable of being made up within a limited period of time, the period of the move towards alignment of prices, as originally envisaged, may be extended; in this case, the prices shall be maintained at their previous level in accordance with the rule provided for in paragraph (a),
- that the variation between the Portuguese prices and the common prices is too great to be made up solely by extending the period of the move towards alignment of prices, as originally envisaged, a decision may be taken that, in addition to this extension, the move towards alignment will take place by a progressive lowering of the Portuguese prices, expressed in real terms, accompanied, if necessary, by indirect, temporary and degressive aid in order to mitigate the effect of the phased price reduction. Such aid shall be financed by the Portuguese budget.

The Council, acting on a qualified majority on a proposal from the Commission and after consulting the Assembly, shall adopt the measures referred to in the previous subparagraph.

5. When, at the beginning of the second stage, it is noted that the variation between the level of the price for a product in Portugal and that of the common price does not exceed 3 % of the common price, the common price may be applied to Portugal for the product concerned.

6. In the interests of the harmonious operation of integration, it may be decided that, by way of derogation from paragraph 3, the price of one or more products for Portugal shall vary, for one marketing year, as compared with the prices resulting from application of this paragraph.

Such variation may not exceed 10 % of the amount of the price movement to be carried out.

In this case the price level for the following marketing year shall be that which would have resulted from application of paragraph 3 had variation not been decided upon. However, for this marketing year, a new variation may be decided upon as compared with this level, under the conditions provided for in the first and second subparagraphs.

The derogation provided for in the first subparagraph shall not apply to the last move to alignment referred to in paragraph 3.

Article 286

1. From the beginning of the second stage the following provisions shall be applicable in Portugal:

- Article 244 (1), subject to Articles 268, 280 and 285 and to specific provisions applicable to certain products referred to in Section V,
- Article 247, with Council decisions being adopted according to the procedure referred to in Article 234 (2),
- Article 248,
- Article 254, with the date 1 March 1986 being replaced by that on which the second stage begins,
- Article 257, with the date 31 December 1987 being replaced by that of 31 December of the second year of the second stage.

2. The STM referred to in Article 249 shall apply under the conditions laid down in Articles 250 to 252 from the beginning of the second stage until 31 December 1995. The list of products to be submitted to the STM shall be drawn up before the end of the first stage. This list may be added to, in accordance with the procedure laid down in Article 250, during the first two years of the second stage.

At the beginning of each year, the Commission shall submit a report to the Council on the operation of the STM during the previous year.

3. The fixed components intended to ensure the protection of the processing industry referred to in Article 273 (1) and (2) shall be progressively abolished from the beginning of the second stage in accordance with the following timetable:

- on 1 January 1991, each fixed component shall be reduced to 83,3 % of the basic fixed component,
- on 1 January 1992, each fixed component shall be reduced to 66,6 % of the basic fixed component,
- on 1 January 1993, each fixed component shall be reduced to 49,9 % of the basic fixed component,
- on 1 January 1994, each fixed component shall be reduced to 33,2 % of the basic fixed component,
- on 1 January 1995, each fixed component shall be reduced to 16,5 % of the basic fixed component,
- on 1 January 1996, every fixed component shall be abolished.

Article 287

1. By way of derogation from Articles 240 (3) (b) and 284, in trade between Portugal and third countries, levies or other import charges applied under the common agricultural policy shall not be reduced by compensatory amounts applicable in trade with the Community as at present constituted.

2. From the beginning of the second stage, the variation between the fixed components intended to ensure the protection of the processing industry referred to in Article 279 and those which form part of the calculation of the charge on imports from third countries shall be reduced in accordance with the same timetable as that given in Article 286 (3).

From 1 January 1996 the Portuguese Republic shall apply the fixed component intended to ensure the protection of the processing industry which forms part of the calculation of the charge on imports from third countries of products covered by the common organization of the markets in the cereals and rice sectors.

Article 288

Aid, premiums or other similar amounts instituted under the common agricultural policy for which reference is made to this Article in Section V shall be applied to Portugal according to the following provisions:

- (a) The level of Community aid to be granted for a given product to Portugal at the beginning of the second stage shall be equal to the amount of the aid granted at the end of the first stage.

If no similar aid was granted during the first stage, and subject to the following provisions, no aid shall be granted to Portugal at the beginning of the second stage.

- (b) At the beginning of the first marketing year or, failing this, of the first period of application of aid following the beginning of the second stage, the following conditions shall apply:

(aa) either Community aid shall be introduced in Portugal at a level which represents:

- a fifth of the amount of Community aid applicable for the coming marketing year or period when the second stage is of five years' duration,
- a seventh of the amount of Community aid applicable for the coming marketing year or period when the second stage is of seven years' duration;

(bb) or, Community aid for Portugal shall be, where there is a difference, aligned on the level of the aid applicable in the Community as at present constituted for the coming marketing year or period:

- by one-fifth of the difference which exists between these two types of aid when the second stage is of five years' duration,

- by one-seventh of the difference which exists between these two types of aid when the second stage is of seven years' duration.
- (c) At the beginning of the following marketing years or periods of application, the level of Community aid to Portugal shall be aligned on the level of the aid applicable in the Community as at present constituted, for the coming marketing year or period, successively:
- by one-quarter, one-third and by half the difference which exists between these two types of aid when the second stage is of five years' duration,
 - by one sixth, one-fifth, one-quarter, one-third and by half the difference which exists between these two types of aid when the second stage is of seven years' duration.
- (d) The level of Community aid shall be applied in full to Portugal in 1995 at the beginning of the marketing year or period during which aid is applied.

Article 289

1. The Portuguese Republic shall apply progressively to imports, as from the beginning of the second stage, the preferences accorded, either autonomously or by agreement, by the Community to certain third countries.

2. To this end, the Portuguese Republic shall apply a duty reducing the variation between the rate of duty actually applied at the end of the first stage and the preferential rate of duty according to the following timetable:

- (a) When the second stage is of five years' duration:
- on 1 January 1991, the variation shall be reduced to 83,3 % of the original variation,
 - on 1 January 1992, the variation shall be reduced to 66,6 % of the original variation,
 - on 1 January 1993, the variation shall be reduced to 49,9 % of the original variation,
 - on 1 January 1994, the variation shall be reduced to 33,2 % of the original variation,
 - on 1 January 1995, the variation shall be reduced to 16,5 % of the original variation.
- (b) When the second stage is of seven years' duration:
- on 1 January 1989, the variation shall be reduced to 87,5 % of the original variation,
 - on 1 January 1990, the variation shall be reduced to 75 % of the original variation,
 - on 1 January 1991, the variation shall be reduced to 62,5 % of the original variation,

- on 1 January 1992, the variation shall be reduced to 50 % of the original variation,
 - on 1 January 1993, the variation shall be reduced to 37,5 % of the original variation,
 - on 1 January 1994, the variation shall be reduced to 25 % of the original variation,
 - on 1 January 1995, the variation shall be reduced to 12,5 % of the original variation.
- (c) The Portuguese Republic shall apply the preferential rates in full on 1 January 1996.

Section IV

Provisions relating to certain common organizations of markets subject to classic transition

Sub-section 1

Oils and fats

Article 290

1. For olive oil, Articles 236 and 240 shall apply to the intervention price.

2. During the transitional period of 10 years, the price thus fixed for Portugal shall be aligned on the level of the common price each year at the beginning of each marketing year in accordance with the following procedures:

- Until the entry into force of the adjustment of the 'acquis communautaire', the price in Portugal shall be aligned each year by one-twentieth of the original variation between this price and the common price.
- As from the entry into force of the adjustment of the 'acquis communautaire', the price in Portugal shall be corrected by the difference between the price in this Member State and the common price, as applicable before each move towards alignment, divided by the number of marketing years still to run until the end of the period of application of the transitional measures; the price resulting from this calculation shall be adapted in proportion to any change in the common price for the marketing year to come.

3. The Council, acting in accordance with the procedure provided for in Article 43 (2) of the Treaty establishing the European Economic Community, shall note that the condition required for the application of the second indent of paragraph 2 of this Article is fulfilled. The move towards alignment of the price shall be effected in accordance with the said provision, as from the beginning of the marketing year following this finding.

4. The compensatory amount resulting from application of Article 240 shall be adapted, should the need arise, on the basis of the difference between Community aid for consumption applicable in the Community as at present constituted and in Portugal.

Article 291

1. Article 236 shall apply to the target price for sunflower seeds.

For colza and rape seeds, for soya beans and linseed, the target or guide price applicable in Portugal on 1 March 1986 shall be fixed on the basis of the variation existing between the prices of competitive products in rotation cropping in Portugal and in the Community as at present constituted, over a reference period to be determined. However, the target or guide price to be applied to Portugal may not be higher than the common price.

2. For the period during which the transitional measures are applied, the prices thus fixed for Portugal shall be aligned on the level of the common prices each year at the beginning of the marketing year. The move towards alignment shall take place in 10 stages, Article 238 being applied *mutatis mutandis*.

3. The intervention prices of colza, rape and sunflower seeds and the minimum price of soya beans, applicable in Portugal, shall be derived respectively from the target price and the guide price, as referred to in paragraphs 1 and 2, in accordance with the provisions of the common organization of the market concerned.

4. Until 31 December 1990, in trade in processed vegetable oil products intended for human consumption, with the exception of olive oil products, appropriate measures shall be adopted to take account of the differences in the prices of these oils in Portugal and in the Community as at present constituted.

Article 292

1. The Portuguese Republic shall apply, until 31 December 1990 and according to procedures to be determined, a mechanism for the control of:

- (a) the quantities of oil seeds and oil fruits, as well as of flour from which the oil has not been extracted and of all vegetable oils, with the exception of olive oil, intended for human consumption on the Portuguese domestic market, in order to avoid any worsening of the conditions for competition between the various vegetable oils. The volume of the quantities placed on the Portuguese market for consumption shall be established on the basis of consumption in Portugal and the level of this consumption will be assessed within the framework of

a report drawn up for each marketing year according to the procedure provided for in Article 38 of Regulation No 136/66/EEC on the basis of:

- Portuguese consumption recorded over the period 1980 to 1983,
- the foreseeable trend in demand.

Following the same procedure, this report may be updated during the marketing year;

- (b) the level of consumer prices for the vegetable oils referred to in paragraph (a), in such a way as to maintain — until 31 December 1990 — in principle the price level, expressed in ECU, reached during the 1984/85 marketing year.

The control mechanism referred to in paragraph (a) shall include the replacement, on 1 March 1986, of the trade arrangements applied on imports into Portugal by a system of quantitative import restrictions opened without discrimination between economic operators, both with regard to the Community as at present constituted and with regard to third countries.

2. In exceptional circumstances, the control mechanism defined in this Article may be modified, for those products subjected to it, as far as necessary to avoid imbalances in the markets for the different oils.

These modifications shall be adopted in accordance with the procedure laid down in Article 38 of Regulation No 136/66/EEC.

Article 293

1. Community aid for the production of olive oil shall be instituted in Portugal at the beginning of the first marketing year following accession and shall be aligned, during the period of application of the transitional measures, on the level of the aid granted in the Community as at present constituted. Article 246 shall apply *mutatis mutandis*.

Community aid for the consumption of olive oil shall be instituted in Portugal as from 1 January 1991, according to a timetable to be determined, to the extent necessary to reach a common level at the end of the period of application of the transitional measures.

2. Aid for colza, rape and sunflower seeds, for soya beans and for linseed, produced in Portugal, shall be:

- introduced in Portugal as from the beginning of the first marketing year following accession, and
- increased thereafter, during the period of application of the control mechanism referred to in Article 292 (1),

on the basis of the move towards alignment, as the case may be, of the target price or the guide price applicable in Portugal, on the level of the common price.

On expiry of the period referred to in the foregoing subparagraph, the aid granted to Portugal shall be equal to the difference that exists between the target price or the guide price applicable in that Member State and the price on the world market, with this difference being reduced by the incidence of the customs duty applied by Portugal on imports of products from third countries.

3. Aid for the seeds and beans referred to in paragraph 2 produced in Portugal and processed in the Community as at present constituted, and the aid for the same seeds and beans produced in the Community as at present constituted and processed in Portugal, shall be adjusted to take account of the difference between the level of the prices of these seeds and beans and that of seeds and beans imported from third countries.

4. Furthermore, when the aid for colza, rape and sunflower seeds is calculated, account shall be taken of any differential amount which may be applicable.

Article 294

During the 1986/87 to 1994/95 marketing years, specific guarantee thresholds shall be fixed for colza and rape seeds and for sunflower seeds produced in Portugal.

For the 1986/87 marketing year these thresholds shall be fixed at:

- 1 000 tonnes for colza and rape seeds,
- 48 000 tonnes for sunflower seeds.

For the following marketing years these specific guarantee thresholds shall be determined according to criteria comparable to those adopted for fixing the guarantee thresholds in the Community as at present constituted.

When a specific guarantee threshold is exceeded, the co-responsibility penalties shall be applied according to procedures which are similar to those applied in the Community as at present constituted and with the same ceiling.

Article 295

1. The Portuguese Republic shall postpone, until the control mechanism referred to in Article 292 expires, the application of preferential arrangements, be they contractual or autonomous, applied by the Community

with regard to third countries in the olive oil sector, the oil seeds and oil fruits sector and in that of products derived therefrom.

2. As from 1 January 1991, the Portuguese Republic shall apply a duty reducing the variation between the rate of duty actually applied on 31 December 1990 and the rate of preferential duty according to the following timetable:

- on 1 January 1991, the variation shall be reduced to 83,3 % of the original variation,
- on 1 January 1992, the variation shall be reduced to 66,6 % of the original variation,
- on 1 January 1993, the variation shall be reduced to 49,9 % of the original variation,
- on 1 January 1994, the variation shall be reduced to 33,2 % of the original variation,
- on 1 January 1995, the variation shall be reduced to 16,5 % of the original variation.

The Portuguese Republic shall apply the preferential rates in full from 1 January 1996.

Sub-section 2

Tobacco

Article 296

Article 236 and, where appropriate, Article 238 shall apply to the intervention price fixed for each variety or group of varieties.

Article 297

The norm price corresponding to the intervention price referred to in Article 296 shall be fixed in Portugal for the first harvest following accession at a level that shall reflect the relationship existing between the norm price and the intervention price, in accordance with the second subparagraph of Article 2 (2), of Regulation (EEC) No 727/70 on the common organization of the market in raw tobacco.

Sub-section 3

Flax and hemp

Article 298

Article 246 shall apply to aid for fibre flax and hemp.

Sub-section 4

Hops

Article 299

The aid to hop producers referred to in Article 12 of Regulation (EEC) No 1696/71 shall be applied in full in Portugal as from the first harvest following accession.

Sub-section 5

Seeds

Article 300

Article 246 shall apply to the aid for the seeds referred to in Article 3 of Regulation (EEC) No 2358/71.

Sub-section 6

Silkworms

Article 301

Article 246 shall apply to aid for silkworms.

Sub-section 7

Sugar and isoglucose

Article 302

1. Articles 236, 238 and 240 shall apply to the intervention price for white sugar and to the basic price for beet.

However, the accession compensatory amount shall be corrected, to the extent necessary for the smooth running of the common organization of the markets, by the incidence of the compensatory levy for storage costs.

2. For raw sugar and for products other than fresh beet, appearing in Article 1 (b), and for the products appearing in Article 1 (1) (d) and (f) of Regulation (EEC) No 1785/81 on the common organization of the markets in the sugar sector, compensatory amounts may be fixed to the extent necessary to avoid all risk of disturbance in trade between the Community as at present constituted and Portugal.

In this case, the compensatory amounts shall be derived from the compensatory amount applicable to the primary product in question, with the help of coefficients to be determined.

Article 303

During the period of seven years following accession, the levy on raw cane sugar originating in the Ivory Coast, Malawi, Zimbabwe and Swaziland, which is imported into Portugal up to a maximum quantity annually of 75 000 tonnes expressed as white sugar, shall be equal to the amount of the levy on raw sugar calculated in accordance with the rules of the common organization of the markets, reduced by the difference between the threshold price and the intervention price for raw sugar.

For the period 1 March to 1 July 1986 and for the period 1 July to 31 December 1992, the maximum annual quantity referred to above shall be reduced in proportion to the length of those periods.

Where, during the above periods:

- (a) the Community forward estimate for raw sugar for a given marketing year or part thereof shows that the availability of raw sugar is insufficient to ensure adequate supply of Portuguese refineries, or
- (b) exceptional and unforeseeable circumstances justify it during the marketing year or part thereof,

the Portuguese Republic may be authorized, according to the procedure provided for in Article 41 of Regulation (EEC) No 1785/81, to import from third countries under the marketing year or part thereof concerned, the quantities which it is estimated are lacking, under the same conditions regarding the reduced levy as those provided for in respect of the quantity referred to in the first paragraph.

Sub-section 8

Processed fruit and vegetables

Article 304

For the products benefiting from the aid arrangements provided for in Article 3 of Regulation (EEC) No 516/77 on the common organization of the markets in fruit and vegetable processed products, the following provisions shall apply to Portugal:

- 1. Until the first move towards alignment of the prices referred to in Article 238, the minimum price

referred to in Article 3b of Regulation (EEC) No 516/77 shall be established on the basis:

- of the price fixed in Portugal under the preceding national arrangements for the product intended for processing, or
- in the absence of such a price, of the prices paid in Portugal to producers for the product intended for processing, as recorded during a representative period to be determined.

2. Where the minimum price referred to in paragraph 1 is:

- lower than the common price, the price in Portugal shall be modified at the beginning of each marketing year following accession, according to the procedures provided for in Article 238,
- higher than the common price, the common price shall be adopted on accession for Portugal.

3. (a) For processed tomato products, for the first five marketing years following accession or, where Article 260 (2) is applied during the first three marketing years following accession, the amount of Community aid granted to Portugal shall be derived from the aid calculated for the Community as at present constituted, bearing in mind the difference of the minimum producer prices resulting from the application of point 2 of this Article, before this last-mentioned aid is reduced, possibly as a result of the guarantee threshold fixed for these products in the Community as at present constituted being exceeded.

Where the threshold in the Community as at present constituted is exceeded, if this proves necessary to ensure normal conditions for competition between Portuguese industries and those of the Community, it shall be decided, in accordance with the procedure provided for in Article 20 of Regulation (EEC) No 516/77, that a compensatory amount, at the most equal to the difference between the aid fixed for Portugal and that which would have been derived from the Community aid fixed, will be applied in accordance with Article 240 (3) (a) and levied by the Portuguese Republic on exports to third countries.

However, on expiry of the arrangements under Regulation (EEC) No 1320/85, no compensatory amount shall be levied where it is proved that the Portuguese product has not benefited from Community aid granted to Portugal.

In no case may the aid applicable to Portugal exceed the amount of aid granted in the Community as at present constituted.

(b) During the period referred to in (a), the grant of Community aid to Portugal shall be limited, for each marketing year, to a quantity of processed products corresponding to a quantity of fresh tomatoes of:

- 685 000 tonnes for the manufacture of tomato concentrate,
- 9 600 tonnes for the manufacture of whole peeled tomatoes,
- 137 tonnes for other tomato products.

At the end of that period, the quantities fixed above, adjusted to accommodate any changes made to Community thresholds during the same period, shall be taken into consideration when fixing Community thresholds.

4. For tomato products on expiry of the period referred to in point 3 (a) and for the other products during the six marketing years following accession, the amount of the Community aid granted to Portugal shall be derived from the aid fixed for the Community as at present constituted, bearing in mind the difference of the minimum prices resulting from the application of point 2.

5. Community aid shall be applied in full in Portugal as from the beginning of the seventh marketing year following accession.

6. For the purposes of applying this Article, the minimum price and the aid obtaining in the Community as at present constituted shall refer to the amounts obtaining in the Community as at present constituted excluding Greece.

Article 305

The minimum price and the financial compensation applicable in Portugal, as provided for in Articles 2 and 3 of Regulation (EEC) No 2601/69 laying down special measures to encourage the processing of certain varieties of oranges and in Articles 1 and 2 of Regulation (EEC) No 1035/77 laying down special measures to encourage the marketing of processed lemon products, shall be fixed as follows:

1. Until the first move towards the alignment of the prices referred to in Article 238, the minimum price applicable shall be established on the basis of the prices paid in Portugal to producers of citrus fruits intended for processing, recorded over a representative period to be determined. The financial compensation shall be that of the Community as at present constituted less, where appropriate, the difference which exists between, on the one hand, the common minimum price and, on the other, the minimum price applicable in Portugal.

2. For subsequent price fixing, the minimum price applicable in Portugal shall be aligned on the common minimum price in accordance with the provisions of Article 238. The financial compensation applicable in Portugal at each stage of the move towards alignment shall be that of the Community as at present constituted less, where appropriate, the difference between, on the one hand, the common minimum price and, on the other, the minimum price applicable in Portugal.
3. However, where the minimum price resulting from the application of point 1 or 2 is higher than the common minimum price, the latter price may be adopted definitively for Portugal.

Sub-section 9

Dried fodder

Article 306

1. The guide price referred to in Article 4 of Regulation (EEC) No 1117/78 on the common organization of the market in dried fodder, applicable in Portugal on 1 March 1986, shall be fixed on the basis of the variations which exist between the prices of competitive products in rotation cropping in Portugal and in the Community as at present constituted over a reference period to be determined.

Article 238 shall apply to the guide price calculated in accordance with the first subparagraph. However, the guide price to be applied in Portugal may not exceed the common guide price.

2. The supplementary aid applicable to Portugal shall be adjusted by an amount equal to:

- the difference which exists, where this arises, between the guide price in Portugal and the common guide price, multiplied by the percentage referred to in Article 5 (2) of Regulation (EEC) No 1117/78, and
- the incidence of customs duties applicable in Portugal on the import of the said products from third countries.

3. Article 246 shall apply to the flat-rate aid referred to in Article 3 of Regulation (EEC) No 1117/78.

Sub-section 10

Peas, field beans and sweet lupins

Article 307

1. The activating threshold price of peas, field beans and sweet lupins used in the manufacture of animal

feed, and the guide price of other peas and field beans, applicable in Portugal on 1 March 1986, shall be fixed on the basis of the variation which exists between the prices of competitive products in rotation cropping in Portugal and in the Community as at present constituted over a reference period to be determined.

Article 238 shall apply to the activating threshold price or to the guide price for products. However, the activating threshold price or the guide price to be applied in Portugal may not exceed the common price.

2. For products harvested in Portugal and used in the manufacture of feed, falling within Regulation (EEC) No 1431/82 laying down special measures for peas, field beans and sweet lupins, the amount of the aid referred to in Article 3 (1) of that Regulation shall be reduced by the amount of the difference which exists, where this arises, between the activating threshold price in Portugal and the common price.

Without prejudice to the application of the first subparagraph, the amount of the aid concerned for a product processed in Portugal shall be reduced by the incidence of the customs duties applied in Portugal on import of soya cake coming from third countries.

The deductions referred to in the first and second subparagraphs shall result from application of the percentages referred to in Article 3 (1) of Regulation (EEC) No 1431/82.

3. The amount of the aid referred to in Article 3 (2) of Regulation (EEC) No 1431/82 for peas and field beans harvested in Portugal and used in human and animal consumption for a purpose other than that provided for in paragraph 1 of that Article shall be reduced by an amount equal to the difference which exists, where this arises, between the guide price applied in Portugal and the common guide price.

Without prejudice to the application of the first subparagraph, the amount of the aid concerned for a product processed in Portugal shall be reduced by the incidence of the customs duties applied in Portugal on import of these products from third countries.

Sub-section 11

Sheepmeat and goatmeat

Article 308

In the sheepmeat sector, Article 236 shall apply to the basic price.

Section V

Provisions relating to certain common organizations of markets
subject to transition by stages

Sub-section 1

Milk and milk products

A. *First stage**Article 309*

The specific objectives referred to in Article 264 and to be attained by the Portuguese Republic during the first stage in the milk and milk products sector shall be the following:

- (a) abolition of the Junta Nacional dos Produtos Pecuários (JNPP) as a State body at the end of the first stage and the progressive liberalization of internal trade, imports and exports with a view to setting up an arrangement for free competition and free access to the Portuguese market;
- (b) creation of an intervention agency and the formation of a material and human infrastructure to facilitate intervention operations;
- (c) modification of the existing prices structure so as to enable their free formation on the market and modification of the relation as to value between the fat part and the protein part of milk used in Portugal to align it on the relation retained in the Community;
- (d) harmonization of domestic prices for milk, butter and dried milk obtaining in mainland Portugal with those obtaining in the Azores;
- (e) elimination, as far as possible, of national aid which is incompatible with Community law, and the progressive introduction of the scheme for Community aid;
- (f) abolition of the exclusiveness of milk collection zones and of the exclusiveness of pasteurization;
- (g) creation of an information service for agricultural markets with a view to the recording of price levels and an appropriate formation of administrative departments, these being essential for the smooth running of the common organization of the markets in the sector concerned;
- (h) implementation of measures intended to promote the modernization of production, processing and marketing structures.

B. *Second stage**Article 310*

1. Until the first move towards alignment, the intervention prices for butter and skimmed-milk powder, applicable in Portugal, shall be calculated according to the rules provided for and on the basis of the data taken into consideration in the common organization of the markets.

Articles 285 (2) to (6) and 287 shall apply to the intervention prices thus calculated.

Should the intervention prices applicable in the mainland part of Portugal and the intervention prices applicable in the Azores not be equalized at the end of the first stage, the move towards alignment of these prices with the common prices shall take place according to procedures to be determined.

2. For the products referred to in paragraph 1, the compensatory amounts applicable in trade between the Community as at present constituted and Portugal and between Portugal and third countries shall be equal to the difference between the common prices and the prices fixed in Portugal as corrected, where appropriate, to take account of the market prices recorded in this Member State.

Articles 240 (2) to (6), 241, 242 and 255 shall be applicable.

Article 311

The compensatory amount for dairy products other than butter and skimmed-milk powder shall be fixed with the help of coefficients to be determined.

Sub-section 2

Beef and veal

A. *First stage**Article 312*

The specific objectives referred to in Article 264, to be achieved by the Portuguese Republic during the first stage in the beef and veal sector, shall be as follows:

- (a) elimination of the JNPP as a State body at the end of the first stage, and the liberalization of imports and exports and the progressive liberalization of domestic trade with a view to introducing a system of free competition and of free access to the Portuguese market;

- (b) creation of an intervention body and formation of a material and human infrastructure to facilitate intervention operations and the appropriate training of the administrative departments, which are indispensable to the smooth functioning of the common organization of the markets in the sector in question;
- (c) free formation of prices on representative markets to be established;
- (d) creation of an information service on agricultural markets in order to record prices and the introduction of the Community grading scale for carcasses with a view to quotation comparability;
- (e) implementation of measures intended to promote the modernization of production, processing and marketing structures aiming at increasing the productivity of stock farming and better profitability for the sector;
- (f) trade liberalization on the zootechnical level.

B. *Second stage*

Article 313

1. In the beef and veal sector, Articles 240, 285 and 287 shall apply to the intervention purchasing prices in Portugal and in the Community as at present constituted, valid for comparable qualities determined on the basis of the Community grading scale for carcasses of adult bovine animals.
2. Articles 241, 242 and 255 shall also apply in this sector.
3. The compensatory amount for the other products referred to in Article 1 (1) (a) of Regulation (EEC) No 805/68 shall be fixed with the help of coefficients to be determined.

Article 314

Article 288 shall apply to the suckler cow herd maintenance premium.

Sub-section 3

Fruit and vegetables

A. *First stage*

Article 315

1. The specific objectives referred to in Article 264, to be achieved by the Portuguese Republic during the first

stage in the fruit and vegetable sector, shall be as follows:

- (a) elimination of the Junta Nacional das Frutas (JNF) as a State body at the end of the first stage;
- (b) development of producer organizations within the meaning of the Community rules;
- (c) progressive and generalized application of common quality standards;
- (d) setting up an intervention body and creating a material and human infrastructure to facilitate intervention operations;
- (e) free formation of prices and their daily recording on representative markets to be defined on the basis of the different products;
- (f) creation of an information service on agricultural markets in order to record rates daily and the appropriate training of the administrative departments, which are indispensable to the smooth functioning of the common organization of the markets.

2. In order to encourage producers or their organizations to market products in accordance with quality standards, the Portuguese Republic shall participate during the first stage, by means of appropriate aid, in the cost of packaging and presentation of such products.

Article 316

Notwithstanding Article 272 (1), the reference price applied by the Community as at present constituted with regard to Portugal shall be fixed in accordance with the provisions of Regulation (EEC) No 1035/72 in force on 31 December 1985.

Any countervailing charges on the import of products from Portugal resulting from the application of Regulation (EEC) No 1035/72 shall be reduced by:

- 2 % in the first year,
- 4 % in the second year,
- 6 % in the third year,
- where appropriate, 8 % in the fourth and fifth years,

following the date of accession.

B. *Second stage*

Article 317

In the fruit and vegetable sector, Article 285 shall apply to the basic price.

Article 255 shall also apply in this sector.

During the second stage, a compensation mechanism shall be introduced for imports into the Community as at present constituted of those fruit and vegetables coming from Portugal for which a reference price is fixed with regard to third countries.

1. This mechanism shall be governed by the following rules:

(a) A comparison shall be made between an offer price of the Portuguese product, calculated in accordance with (b), and a Community offer price. This latter price shall be calculated annually:

- on the basis of the arithmetic mean of the producer prices of each Member State of the Community as at present constituted, plus transport and packaging costs incurred by the products from the production regions to the representative consumption centres of the Community,
- bearing in mind developments in the costs of production.

The above producer prices shall correspond to the average of the rates recorded during the three years which precede the date on which the Community offer price is fixed.

The Community offer price may not exceed the level of the reference price applied with regard to third countries.

(b) The Portuguese offer price shall be calculated every marketing day, on the basis of the representative rates recorded or reduced to the importing-wholesale stage in the Community as at present constituted. The price for a product coming from Portugal shall be equal to the lowest representative rate or to the average of the lowest representative rates recorded for at least 30 % of the quantities of the provenance concerned marketed on all the representative markets for which rates are available. This rate or these rates shall be reduced beforehand:

- by the customs duties calculated in accordance with (c),
- by any correcting amount introduced in accordance with (d).

(c) The customs duty to be deducted from the rates of the Portuguese product shall be the Common Customs Tariff duty progressively reduced each year at the beginning of the marketing year:

- by one-fifth of its amount where the second stage lasts five years,

- by one-seventh of its amount where the second stage lasts seven years.

However, the first reduction shall occur at the beginning of the second stage.

(d) If the price of the Portuguese product, calculated in accordance with (b), is lower than the Community offer price referred to in (a), a corrective amount equal to the difference between these two prices shall be levied on import into the Community as at present constituted by the importing Member State.

(e) The corrective amount shall be levied until the information ascertained shows that the price of the Portuguese product is equal to, or higher than, the Community price referred to in (a).

2. Should the Portuguese market be disturbed as a result of imports from the Community as at present constituted, appropriate measures, which may *inter alia* make provision for a corrective amount to be applied according to procedures to be determined, may be decided upon with regard to imports into Portugal of those fruit and vegetables coming from the Community as at present constituted for which a reference price is fixed.

Sub-section 4

Cereals

A. *First stage*

Article 319

The specific objectives referred to in Article 264, to be achieved by the Portuguese Republic during the first stage in the cereals sector, shall be as follows:

- (a) dismantling of the marketing monopoly held by the Empresa Pública de Abastecimento de Cereais (EPAC) at the end of the first stage at the latest and the progressive liberalization of domestic trade with a view to introducing a system of free competition to the Portuguese market;
- (b) progressive elimination of the import monopoly held by EPAC over a period of four years;
- (c) setting up an intervention body and creating a material and human infrastructure to facilitate intervention operations;
- (d) free price formation;
- (e) creation of an information service on agricultural markets in order to record prices and the appropriate training of the administrative services indis-

pensable to the smooth functioning of the common organization of markets.

Article 320

1. The Portuguese Republic shall progressively adjust, during the first four years following accession, the monopoly held by EPAC for importing and marketing cereals in Portugal so as to ensure that, on expiry of the fourth year, no discrimination regarding the conditions under which goods are procured and marketed exists between nationals of Member States.

2. To that end, the Portuguese Republic shall adapt its rules referred to in Article 261 and may, notwithstanding Article 277, apply to imports a system organized as follows:

(a) Imports of cereals into Portugal shall be carried out as a percentage of the annual quantities imported during the preceding year at the following percentages by EPAC and by private operators respectively:

Year	EPAC	Private operators
1986	80 %	20 %
1987	60 %	40 %
1988	40 %	60 %
1989	20 %	80 %
1990	—	100 %

(b) The imports referred to in (a) to be carried out by private operators shall be awarded by open tender without discrimination between economic operators.

Within the framework of these invitations to tender, tenders relating to products of Community origin shall be corrected by:

- the difference between the Community market prices and the world market price, and
- an amount corresponding to a flat-rate preference equal to 5 ECU per tonne.

(c) If imports of products of Community origin do not represent, per year, a minimum quantity of 15 % of the total quantity of cereals imported during that year, EPAC shall buy during the following year, in the Community as at present constituted, the quantity lacking in relation to the 15 % quantity referred to above. That quantity shall then be added to the obligatory purchase of 15 % for the new year.

An intermediate estimate shall be drawn up at the end of the 1988/89 marketing year; if it appears, on the basis of this estimate, that the obligatory purchase for 1989 is unlikely to be made, the necessary measures may be adopted in order to ensure compliance with that obligation.

B. Second stage

Article 321

In the cereals sector, Articles 240, 285 and 287 shall apply to the intervention prices.

Articles 241, 242 and 255 shall also apply in this sector.

Article 322

1. With regard to the cereals for which no intervention price is fixed, the compensatory amount applicable shall be derived from that applicable to barley, taking into consideration the relationship which exists between the threshold prices of the cereals concerned.

2. For the products referred to in Article 1(c) of Regulation (EEC) No 2727/75 on the common organization of the market in cereals, the compensatory amount shall be derived from that applicable to the cereals to which they are related, with the help of coefficients to be determined.

Article 323

Article 288 shall apply to the aid for durum wheat referred to in Article 10 of Regulation (EEC) No 2727/75.

Sub-section 5

Pigmeat

A. First stage

Article 324

The specific objectives referred to in Article 264, to be achieved by the Portuguese Republic during the first stage in the pigmeat sector, shall be as follows:

- (a) elimination of the JNPP as a State body at the end of the first stage, and the progressive liberalization of domestic trade, imports and exports with a view to ensuring a system of free competition and free access to the Portuguese market;
- (b) creation of an intervention body and formation of a material and human infrastructure facilitating intervention operations, adapted to the new conditions of the Portuguese market;

- (c) free formation of prices on representative markets to be established;
- (d) creation of an information service on agricultural markets in order to record prices and the appropriate training of the administrative departments, which are indispensable to the smooth functioning of the common organization of markets;
- (e) implementation of measures intended to promote the modernization of production, processing and marketing structures aiming at better profitability for the sector;
- (f) pursuit and intensification of the campaign against African swine fever and in particular the development of closed circuit production units.

B. Second stage

Article 325

1. In the pigmeat sector, the compensatory amount shall be calculated on the basis of the compensatory amounts applicable to feed-grain. To that end, the compensatory amount applicable per kilogram of pig carcase shall be calculated on the basis of the compensatory amounts applicable to the quantity of feed-grain necessary for the production in the Community of a kilogram of pigmeat.

However, should this amount not be representative, the provisions of Articles 240, 285 and 287 shall apply to the price of that product in Portugal and in the Community as at present constituted.

2. Articles 241, 242 and 255 shall also apply in this sector.

3. For the products other than pig carcasses referred to in Article 1 (1) of Regulation (EEC) No 2759/75, the compensatory amount shall be derived from that applied in accordance with paragraphs 1 or 2, with the help of coefficients to be determined.

Sub-section 6

Eggs

A. First stage

Article 326

The specific objectives referred to in Article 264, to be achieved by the Portuguese Republic during the first stage in the egg sector, shall be as follows:

- (a) elimination of the JNPP as a State body at the end of the first stage, liberalization of imports and exports with a view to introducing a system of free competition and free access to the Portuguese market and the progressive liberalization of the domestic market;
- (b) free price formation;
- (c) creation of an information service on agricultural markets in order to record prices;
- (d) implementation of measures intended to promote the modernization of production and processing structures.

B. Second stage

Article 327

1. The provisions of Articles 240, 241, 242 and 255 shall apply to the egg sector subject to the following paragraphs.

2. The compensatory amount applicable per kilogram of eggs in shell shall be calculated on the basis of the compensatory amounts applicable to the quantity of feed-grain necessary for the production, in the Community, of one kilogram of eggs in shell.

3. The compensatory amount applicable per egg for hatching shall be calculated on the basis of the compensatory amounts applicable to the quantity of feed-grain necessary for the production, in the Community, of one egg for hatching.

4. For the products referred to in Article 1 (1) (b) of Regulation (EEC) No 2771/75 on the common organization of the market in eggs, the compensatory amount shall be derived from that for eggs in shell, with the help of coefficients to be determined.

Sub-section 7

Poultrymeat

A. First stage

Article 328

The specific objectives referred to in Article 264 to be achieved by the Portuguese Republic during the first stage in the poultrymeat sector shall be the same as those indicated for eggs in Article 326.

B. *Second stage*

Article 329

1. Articles 240, 241, 242 and 255 shall apply in the poultrymeat sector subject to the following paragraphs.
2. The compensatory amount applicable per kilogram of slaughtered poultry shall be calculated on the basis of the compensatory amounts applicable to the quantity of feed-grain necessary for the production, in the Community, of one kilogram of slaughtered poultry, differentiated on the basis of species.
3. The compensatory amount applicable to a chick shall be calculated on the basis of the compensatory amounts applicable to the quantity of feed-grain necessary for the production, in the Community, of one chick.
4. For the products referred to in Article 1 (2) (d) of Regulation (EEC) No 2777/75 on the common organization of the market in poultrymeat, the compensatory amount shall be derived from that applicable to slaughtered poultry, with the help of coefficients to be determined;

Sub-section 8

Rice

A. *First stage*

Article 330

The specific objectives referred to in Article 264, to be achieved by the Portuguese Republic during the first stage in the rice sector shall be the same as those indicated for cereals in Article 319.

Article 331

1. The Portuguese Republic shall progressively adjust, during the first stage, the monopoly held by EPAC for importing and marketing rice in Portugal, so as to ensure that, on expiry of the first stage, no discrimination regarding the conditions under which goods are procured and marketed exists between nationals of Member States.
2. Article 320 shall apply *mutatis mutandis* to rice imports into Portugal.

B. *Second stage*

Article 332

1. For rice, Articles 240, 285 and 287 shall apply to the intervention price for paddy rice.

Articles 241, 242 and 255 shall also apply in this sector.

2. The compensatory amount for husked rice shall be that applicable to paddy rice, converted by means of the conversion rate referred to in Article 1 of Regulation No 467/67/EEC.
3. For wholly milled rice, the compensatory amount shall be that applicable to husked rice, converted by means of the conversion rate referred to in Article 1 of Regulation No 467/67/EEC.
4. For semi-milled rice, the compensatory amount shall be that applicable to wholly milled rice, converted by means of the conversion rate referred to in Article 1 of Regulation No 467/67/EEC.
5. For the products referred to in Article 1 (1) (c) of Regulation (EEC) No 1418/76 on the common organization of the markets in rice, the compensatory amount shall be derived from that applicable to the products to which they are related, with the help of coefficients to be determined.
6. The compensatory amount for broken rice shall be fixed at a level that takes into account the difference existing between the supply price in Portugal and the threshold price.

Sub-section 9

Wine

A. *First stage*

Article 333

The specific objectives referred to in Article 264 to be attained by the Portuguese Republic during the first stage in the wine sector shall be the following:

- (a) the abolition of the Junta Nacional do Vinho (JNV) as a State body at the end of the first stage, and the adaptation of the other public bodies in the wine sector, during the first stage, and the liberalization of domestic trade, imports and exports and the transfer of State controlled activities with

regard to storage and distillation, to producers and producer associations;

- (b) the progressive introduction of the arrangements for, and the control of, planting, similar to the Community arrangements and control, enabling efficient vine-planting rules to be established;
- (c) the realization of a project for ampelography (the classification of vine varieties) and for synonymy (equivalence between names of varieties of vines in Portugal on the one hand and equivalence between Portuguese names and names used in the Community as at present constituted on the other), to take place before the introduction of a system of statistical surveys on areas under vines within the meaning of Community rules and the realization of specific work on the viticultural land register;
- (d) the creation or transfer of distillation centres in sufficient numbers and of sufficient capacity to enable wine deliveries to be accomplished;
- (e) the creation of an information service for agricultural markets entailing in particular the ascertainment of prices and a regular statistical analysis;
- (f) the training of the administrative departments indispensable to the smooth running of the common organization of the market in wine;
- (g) the progressive adaptation of the Portuguese price system to the Community price system;
- (h) the prohibition of irrigation of wine grape vineyards and all new planting in irrigated areas;
- (i) the implementation, in the context of the planting rules, of a plan to restructure and convert Portuguese vineyards in line with the objectives of the common policy on wine.

Article 334

The Portuguese Republic shall take all adequate measures in order to avoid all extension, during the first stage, of the area of vineyards producing wine having a natural alcoholic strength equal to 7 % vol or less.

Article 335

By derogation from the Community rules on the maximum sulphur dioxide content of wines, the Portuguese Republic shall be authorized to apply, during the first stage, to wines produced in its territory, the limits applied under the previous national arrangements.

However, the Portuguese Republic shall adopt adequate measures to ensure that, during this first stage, the sulphur dioxide content is lowered progressively

down to the Community levels so that these levels are respected in full as from the beginning of the second stage.

Article 336

During the first stage, the Portuguese Republic shall establish, on the basis of the ampelographical and synonymical study referred to in Article 333, a classification of wine varieties for Portuguese vineyards in accordance with Article 31 of Regulation (EEC) No 337/79 and the implementing provisions of the latter Article.

B. Second stage

Article 337

In the wine sector, Articles 285 and 287 shall apply to the guide price of table wines.

Article 338

1. A mechanism of regulatory amounts shall be set up for imports into the Community as at present constituted of the products referred to in paragraph 2, coming from Portugal, for which reference prices are fixed in the context of the common organization of markets.

2. This mechanism shall be governed by the following rules:

- (a) For table wines, a regulatory amount equal to the difference which exists between the guide prices in Portugal and in the Community as at present constituted shall be levied. However, the level of this amount may be adjusted, according to the procedure provided for in Article 67 of Regulation (EEC) No 337/79, to take account of the situation of market prices assessed in accordance with the different wine categories and on the basis of their quality.
- (b) For certain wines of designated origin and for other products likely to create disturbances on the market, a regulatory amount may be fixed according to the procedure provided for under (a). This regulatory amount shall be derived from that applicable to table wines according to procedures to be determined.

3. A ceiling level shall be fixed for the regulatory amount ensuring conditions of treatment not less favourable than those in force under the arrangements prior to accession. To that end, this amount shall be calculated so that the amount obtained by increasing

the guide price applicable in Portugal for the product in question by the regulatory amount and the customs duties which are applicable to it shall not exceed the reference price in force for that product during the wine-growing year in question.

4. In view of the special situation of the market in the different products referred to in paragraph 2, it may be decided, in accordance with the procedure provided for in Article 67 of Regulation (EEC) No 337/79, to fix a regulatory amount for exports of one or more of those products from the Community as at present constituted to Portugal.

This amount shall be fixed at a level such as will ensure a normal pattern of trade between the Community as at present constituted and Portugal, that will not cause disturbances on the Portuguese market for the products in question.

5. The regulatory amount granted shall be financed by the Community by means of the Guarantee Section of the European Agricultural Guidance and Guarantee Fund.

Article 339

Article 288 shall apply to aid for the use of grape must and concentrated grape must in making grape juice.

Article 340

1. During the second stage, the Portuguese Republic shall embark upon the elimination of the cultivation of vineyards planted with varieties temporarily authorized according to the classification established in accordance with Article 333.

2. During the second stage, the Portuguese Republic shall embark upon the elimination of the cultivation of vineyards planted with direct producer hybrids which are not included in the classification according to the provisions of Regulation (EEC) No 3800/81.

Until the end of the second stage, these hybrids shall be deemed to be temporarily authorized vine varieties.

3. By way of derogation from Article 49 of Regulation (EEC) No 337/79, grapes of varieties temporarily authorized under paragraphs 1 and 2 may, until the end of the second stage, be used for making the products referred to in that Article.

Article 341

Until the end of 1995, wines produced in the 'vinho verde' region, having an alcoholic content of less than

8,5% vol, may circulate in bulk only in their production region.

For these wines, an indication of the actual alcoholic strength must appear on the label.

Section VI

Other provisions

Sub-section 1

Veterinary measures

Article 342

With regard to the trade in fresh poultrymeat within its territory, the Portuguese Republic shall be authorized to postpone, until 31 December 1988 at the latest, the application of Directive No 71/118/EEC concerning health problems with regard to trade in fresh poultrymeat.

Article 343

The Portuguese Republic shall be authorized to maintain, until 31 December 1990 at the latest, import restrictions for pure-bred breeding animals of the bovine species, where the breeds concerned do not appear on the list of breeds authorized in Portugal.

Sub-section 2

Measures on seed and plant legislation

Article 344

1. The Portuguese Republic shall be authorized to postpone the application in its territory of the following Directives, in accordance with the following timetable:

(a) until 31 December 1988 at the latest, as far as the following Directives are concerned:

- 66/401/EEC on the marketing of fodder plant seed, for the species *Lolium multiflorum* lam., *Lolium perenne* L. and *Vicia sativa* L.;
- 66/402/EEC on the marketing of cereal seed, for the species *Hordeum vulgare* L., *Oryza sativa* L., *Triticum aestivum* L., emend. Fiori and Pool. *Triticum durum* desf. and *Zea maïs* L.;

- 70/457/EEC on the common catalogue of varieties of species of agricultural seedlings, for the species referred to in the foregoing indents;
- (b) until 31 December 1990 at the latest, as far as the following Directives are concerned:
- 66/400/EEC on the marketing of beet seed,
 - 66/401/EEC, for the species other than those referred to in the first indent of (a),
 - 66/402/EEC, for the species other than those referred to in the second indent of (a),
 - 66/403/EEC on the marketing of seed potatoes,
 - 66/404/EEC on the marketing of forest reproductive material,
 - 68/193/EEC on the marketing of the material for the vegetative propagation of the vine,
 - 69/208/EEC on the marketing of seed of oil and fibre plants,
 - 70/457/EEC, for the species other than those referred to in the third indent of (a),
 - 70/458/EEC on the marketing of vegetable seed,
 - 71/161/EEC on external quality standards for forest reproductive material marketed within the Community.

2. The Portuguese Republic:

- (a) shall take all the necessary measures to conform progressively, and at the latest on the expiry of the periods referred to in paragraph 1, with the provisions of the Directives mentioned in that paragraph;
- (b) may limit, before expiry of the periods referred to in paragraph 1, either totally or in part, the marketing of seeds or seedlings to the varieties admitted for marketing in its territory. As far as the species referred to by Directives 70/457/EEC and 70/458/EEC are concerned, the varieties admitted for marketing in its territory as from 1 March 1986 shall be those appearing on the list notified in the Conference.

Throughout the periods granted to the Portuguese Republic for it to conform to the two above-mentioned Directives, that Member State shall extend the list each year in such a way as to ensure that the Portuguese market is progressively opened to the other varieties entered in the common catalogues;

- (c) shall export to the territory of the present Member States only those seeds and seedlings which conform with Community provisions;
- (d) shall subject seeds and seedlings imported from third countries:
 - to Community conditions established on the basis of equivalence, and
 - as far as variety is concerned, at least to the same marketing restrictions as those applied to the varieties entered in the common catalogues.

3. Throughout the duration of the derogations referred to in paragraph 1, the progressive liberalization of trade in seeds and seedlings of certain species between Portugal and the Community as at present constituted may be decided upon according to the procedure of the Standing Committee on Seeds and Propagating Material for Agriculture, Horticulture and Forestry. This liberalization shall concern in the first instance seeds which are the subject, before accession, of a Community decision on equivalence. This liberalization shall concern other species once it appears that the conditions necessary for such liberalization have been met.

Sub-section 3

Measures relating to plant health

Article 345

The Portuguese Republic shall be authorized to postpone until 31 December 1990, at the latest, the application of Directive 69/465/EEC on control of potato cyst eelworm.

CHAPTER 4

Fisheries

Section 1

General provisions

Article 346

- 1. Unless any provision of this Chapter states otherwise, the rules laid down by this Act shall apply to the fisheries sector.
- 2. Articles 234 (3), 253 (c) and 257 shall apply to fishery products.

Section II

Access to waters and resources

Article 347

For the purposes of their integration into the Community system for the conservation and management of fishery resources established by Regulation (EEC) No 170/83, access to the waters falling under the sovereignty or within the jurisdiction of the present Member States and covered by the International Council for the Exploration of the Seas (ICES) by vessels flying the flag of Portugal shall be subject to the system defined in this Section.

Article 348

Only those vessels referred to in Article 349 may fish and may do so solely in the zones and under the conditions that are specified in that Article.

Article 349

1. Fishing by Portuguese vessels shall be restricted to ICES divisions V b, VI, VII, VIII a, b and d, excluding, during the period from the date of accession to 31 December 1995, the zone situated to the south of latitude 56°30'N, to the east of longitude 12°W and to the north of latitude 50°30'N, and within the limits and under the conditions defined in paragraphs 2, 3 and 4.

2. Fishing possibilities limited to catches of blue whiting and horse mackerel, the corresponding number of vessels and their procedures for access and control shall be fixed annually in accordance with Article 11 of Regulation (EEC) No 170/83, and for the first time before 1 January 1986.

3. In addition, fishing possibilities for species which are not subject to the total allowable catch system, hereinafter called 'the TAC', and the corresponding number of vessels may be determined in accordance with Article 11 of Regulation (EEC) No 170/83 on the basis of the existing situation of Portuguese fishing activities in the waters of the Community as at present constituted, throughout the period immediately preceding accession, and of the need to ensure the conservation of stocks as well as taking into account limits imposed on fishing by vessels of the present Member States in Portuguese waters for similar species.

4. The conditions for the exercise of specialized fisheries activity shall conform with those provided for fishing of the same species, in Article 160.

5. Provisions aimed at ensuring that operators comply with the rules provided for in this Article, including

those aimed at the possibility of not authorizing the vessel concerned to fish for a certain period shall be adopted before 1 January 1986 according to the procedure provided for in Article 11 of Regulation (EEC) No 170/83.

The technical procedures which correspond to those referred to in the second subparagraph of Article 163 (3) shall be adopted before 1 January 1986 in accordance with the procedure provided for in Article 14 of Regulation (EEC) No 170/83.

6. The detailed rules for applying this Article shall be adopted before 1 January 1986, in accordance with the procedure provided for in Article 14 of Regulation (EEC) No 170/83.

Article 350

Before 31 December 1992, the Commission shall present to the Council a report concerning the situation and prospects with regard to fishing in the Community on the basis of the application of Articles 349 and 351. On the basis of this report, the adjustments to the arrangements provided for in Articles 349 and 351 which prove to be necessary, including those relating to access to zones other than those mentioned in Article 349 (1), shall be adopted before 31 December 1993 in accordance with the procedure laid down in Article 43 of the EEC Treaty and shall take effect on 1 January 1996.

Article 351

1. Only vessels flying the flag of a present Member State, covered by this Article, may exercise their fishing activities in waters falling under the sovereignty or within the jurisdiction of the Portuguese Republic and only in the zones and under the conditions defined in accordance with the following paragraphs.

2. The number of vessels authorized to fish for pelagic species not subject to TAC and quotas other than highly migratory species, in ICES divisions IX, X and in CECAF, shall be fixed each year in accordance with Article 11 of Regulation (EEC) No 170/83 on the basis of the existing situation of fishing activities in the Community as at present constituted, in Portuguese waters, for the period immediately preceding accession and of the need to ensure stock conservation, taking account moreover of the restrictions placed on fishing by Portuguese vessels in waters of the Community as at present constituted for similar species and for the first time before 1 January 1986.

The conditions for exercising specialized fishing activities shall conform to those provided for fishing of the same species in Article 160.

3. Until 31 December 1995, in ICES division X and the CECAF zone, without prejudice to paragraph 4 and

on the basis of fishing practices by the present Member States during the years preceding accession, fishing for Albacore tuna shall be authorized only for a period not exceeding eight weeks, occurring between 1 May and 31 August of the year concerned, by vessels with lines not exceeding 26 metres between the perpendiculars, using exclusively troll lines. The list of authorized vessels shall be notified to the Commission by the Member States concerned at the latest on the 30th day preceding the opening of the fishing period.

4. For tropical tuna, fishing shall be limited until 31 December 1995 for ICES division X to the south of 36°30'N and for the CECAF zone to the south of 31°N and to the north of this parallel to the west of 17°30'W.

5. The provisions aimed at ensuring that operators comply with the rules provided for in this Article, including those aimed at the possibility of not authorizing the vessel concerned to fish for a certain period shall be adopted before 1 January 1986 according to the procedure provided for in Article 11 of Regulation (EEC) No 170/83.

The technical procedures corresponding to those referred to in the second subparagraph of Article 163

(3) shall be adopted before 1 January 1986 according to the procedure provided for in Article 14 of Regulation (EEC) No 170/83.

6. The detailed rules for applying this Article shall be adopted before 1 January 1986 in accordance with the procedure provided for in Article 14 of Regulation (EEC) No 170/83.

Article 352

1. For the purpose of their integration into the Community system for the conservation and management of fishery resources established by Regulation (EEC) No 170/83, access of vessels flying the flag of Spain and listed and/or registered in a port situated in the territory to which the common fisheries policy applies to the waters falling under the sovereignty or within the jurisdiction of Portugal covered by ICES and CECAF, shall, until 31 December 1995, be subject to the system defined in paragraphs 2 to 9.

2. The following activities may be carried out by the vessels referred to in paragraph 1 as their main fishing activity:

Species	Quantity (tonnes)	Zone	Authorized fishing gear	Period of fishing authorization	Total number of authorized vessels (basic list)	Number of vessels authorized to fish at the same time (periodical list)
<i>Demersal species</i>	850	ICES IX + CECAF (mainland coast)	Trawl	Year round	North of the Peniche parallel (Cabo Carvoeiro): 17	North of the Peniche parallel (Cabo Carvoeiro): 9
— Hake						
— Other	2 250	ICES IX + CECAF (mainland coast)	Trawl	Year round	South of the Peniche parallel (Cabo Carvoeiro): 4	South of the Peniche parallel (Cabo Carvoeiro): 2
<i>Pelagic species</i>		ICES IX + CECAF (mainland coast)	Trawl	Year round		
— Horse mackerel						
— Large migrants other than tuna (sword fish, blue shark, Ray's bream)						
— Albacore tuna		ICES IX + CECAF (mainland coast)	Troll line	From May to July		To be decided

3. The use of gill nets shall be prohibited.

4. Each long liner may not cast more than two long lines per day: the maximum length of each of these long lines shall be fixed at 20 nautical miles; the distance between hooks may not be less than 2,70 metres.

5. Fishing for crustaceans shall not be authorized. However, catches shall be permitted when fishing directed at hake and other demersal species is carried out up to a limit of 10% of the volume of catches of these species held on board.

6. The number of vessels authorized to fish for Albacore tuna shall be decided upon before 1 March 1986 according to the procedure provided for in Article 11 of Regulation (EEC) No 170/83.

7. The possibilities and conditions of access to the waters falling under the sovereignty and within the jurisdiction of Portugal in ICES division X and in the CECAF zone shall be adopted according to the procedure laid down in Article 155 (3).

8. The technical procedures for applying this Article shall be adopted, by analogy with those contained in Annex XI, before 1 January 1986 in accordance with the procedure provided for in Article 14 of Regulation (EEC) No 170/83.

9. The provisions aimed at ensuring that operators comply with the rules provided for in this Article, including those aimed at the possibility of not authorizing the vessel concerned to fish for a certain period, shall be adopted before 1 January 1986 according to the procedure provided for in Article 11 of Regulation (EEC) No 170/83.

Article 353

The arrangements defined in Articles 347 and 350, including the adjustments which the Council will be able to adopt pursuant to Article 350, shall remain in force until the date of expiry of the period laid down in Article 8 (3) of Regulation (EEC) No 170/83.

Section III

External resources

Article 354

1. Upon accession, the administration of fisheries agreements concluded by the Portuguese Republic with third countries shall be responsibility of the Community.

2. The rights and obligations flowing from the agreements referred to in the first paragraph for the Portuguese Republic shall not be affected during the period for which the provisions of such agreements are provisionally maintained.

3. As soon as possible, and in any event before the expiry of the agreements referred to in paragraph 1, the decisions appropriate for the continuation of fishing activities resulting therefrom shall be adopted in each case by the Council, acting by a qualified majority on a proposal from the Commission, including the possibility of prolonging certain agreements for periods not exceeding one year.

Article 355

1. Exemptions, suspensions or tariff quotas granted by the Portuguese Republic for fresh fishery products originating in Morocco and coming from joint fisheries ventures set up between natural or legal persons from Portugal and Morocco, when they are landed directly in Portugal, shall be eliminated on 31 December 1992 at the latest.

2. Products imported under these arrangements may not be considered as being in free circulation within the meaning of Article 10 of the EEC Treaty when they are re-exported to another Member State.

3. Only the products referred to in paragraph 1 from joint Portuguese-Moroccan ventures and vessels operated by such ventures, a list of which is given in Annex XXVII, may benefit from the measures laid down in this Article.

The vessels concerned may in no event be replaced in the case of sale, disappearance or scrapping.

4. The detailed rules for the implementation of this Article shall be adopted in accordance with the procedure laid down in Article 33 of Regulation (EEC) No 3796/81.

Section IV

Common organization of markets

Article 356

1. The guide prices applicable to Atlantic sardines in Portugal, on the one hand, and in the Community as at present constituted, on the other, shall be the subject of a move towards alignment in accordance with paragraph 2, the first move towards alignment taking place on 1 March 1986.

2. The guide prices applicable in Portugal, on the one hand, and in the Community as at present constituted, on the other, shall be the subject of alignment, in 10 annual stages, towards the level of the guide price for Mediterranean sardines, on the basis of 1984 prices, successively by a tenth, a ninth, an eighth, a seventh, a sixth, a fifth, a quarter, a third and half of the difference between these guide prices applicable before each move towards alignment; the prices resulting from this calculation shall be modulated proportionately on the basis of any adjustment to the guide price for the next fishing year; the common price shall be applied from the date of the tenth move towards alignment.

Article 357

1. During the period of moves towards price alignment referred to in Article 356, a monitoring system

shall be introduced based on the reference prices applicable to imports of Atlantic sardines into the Community, as at present constituted, from Portugal.

2. At each stage of price alignment, the reference prices referred to in paragraph 1 shall be fixed at the level of withdrawal prices applicable in the other Member States for Mediterranean sardines.

3. Should the market be disturbed as a result of imports referred to in paragraph 1 being made at prices lower than the reference prices, analogous measures to those laid down in Article 21 of Regulation (EEC) No 3796/81 may be taken in accordance with the procedure laid down in Article 33 of the said Regulation.

4. The detailed implementing rules of this Article shall be adopted in accordance with the procedure laid down in Article 33 of Regulation (EEC) No 3796/81.

Article 358

1. Upon accession, a compensatory indemnity system shall be introduced for sardine producers of the Community, as at present constituted, in relation with the specific price alignment system applicable to that species under Article 356.

2. Before the end of the period of price alignment, the Council, acting by a qualified majority on a proposal from the Commission, shall decide if and, where appropriate, to what extent the system referred to in this Article shall be prolonged.

3. The Council, acting by a qualified majority on a proposal from the Commission, shall adopt, before 31 December 1985, the detailed rules for implementing this Article.

Article 359

During the period of price alignment, the conversion factors applicable in 1984 to sardines, provided for in Article 12 (1) of Regulation (EEC) No 3796/81, shall not be amended.

Section V

Regime applicable to trade

Article 360

1. By way of derogation from Article 190, customs duties applicable to fishery products falling within

heading Nos 03.01, 03.02, 03.03, 16.04 and 16.05 and subheadings 05.15 A and 23.01 B of the Common Customs Tariff shall be progressively abolished in accordance with the following timetable:

(a) With regard to products imported into the other Member States of the Community from Portugal:

- on 1 March 1986, each duty shall be reduced to 85,7 % of the basic duty,
- on 1 January 1987, each duty shall be reduced to 71,4 % of the basic duty,
- on 1 January 1988, each duty shall be reduced to 57,1 % of the basic duty,
- on 1 January 1989, each duty shall be reduced to 42,8 % of the basic duty,
- on 1 January 1990, each duty shall be reduced to 28,5 % of the basic duty,
- on 1 January 1991, each duty shall be reduced to 14,2 % of the basic duty,
- the last reduction of 14,2 % shall be made on 1 January 1992.

(b) With regard to products imported into Portugal from the other Member States of the Community:

- on 1 March 1986, each duty shall be reduced to 87,5 % of the basic duty,
- on 1 January 1987, each duty shall be reduced to 75 % 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 50 % of the basic duty,
- on 1 January 1990, each duty shall be reduced to 37,5 % of the basic duty,
- on 1 January 1991, each duty shall be reduced to 25 % of the basic duty,
- on 1 January 1992, each duty shall be reduced to 12,5 % of the basic duty,
- the last reduction of 12,5 % shall be made on 1 January 1993.

2. Notwithstanding paragraph 1, customs duties on imports applicable to prepared or preserved sardines, falling within subheading 16.04 D of the Common Customs Tariff, between Portugal and the other Member States of the Community, shall be progressively abolished in accordance with the following timetable:

- on 1 March 1986, each duty shall be reduced to 90,9 % of the basic duty,
- on 1 January 1987, each duty shall be reduced to 81,8 % of the basic duty,
- on 1 January 1988, each duty shall be reduced to 72,7 % of the basic duty,
- on 1 January 1989, each duty shall be reduced to 63,6 % of the basic duty,

- on 1 January 1990, each duty shall be reduced to 54,5 % of the basic duty,
- on 1 January 1991, each duty shall be reduced to 45,4 % of the basic duty,
- on 1 January 1992, each duty shall be reduced to 36,3% of the basic duty,
- on 1 January 1993, each duty shall be reduced to 27,2 % of the basic duty,
- on 1 January 1994, each duty shall be reduced to 18,1 % of the basic duty,
- on 1 January 1995, each duty shall be reduced to 9 % of the basic duty,

the last reduction of 9 % shall be made on 1 January 1996.

3. Notwithstanding paragraph 1, customs duties on imports in the Member States of the Community from Portugal for fresh, chilled or frozen sardines falling within subheading 03.01 B I d) of the Common Customs Tariff and prepared or preserved tuna and anchovies falling within subheadings 16.04 E and 16.04 ex F of the Common Customs Tariff, shall be progressively abolished in accordance with the following timetable:

- on 1 March 1986, each duty shall be reduced to 87,5 % of the basic duty,
- on 1 January 1987 each duty shall be reduced to 75 % 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 50 % of the basic duty,
- on 1 January 1990 each duty shall be reduced to 37,5 % of the basic duty,
- on 1 January 1991 each duty shall be reduced to 25 % of the basic duty,
- on 1 January 1992 each duty shall be reduced to 12,5 % of the basic duty,
- the last reduction of 12,5 % shall be made on 1 January 1993.

4. Notwithstanding Article 197, the Portuguese Republic shall, for the fishery products referred to in paragraph 1, alter its tariff applicable to third countries by reducing the variation between the basic duties and the Common Customs Tariff duties in accordance with the following detailed rules:

- From 1 March 1986, the Portuguese Republic shall apply a duty reducing by 12,5 % the variation between the basic duty and that of the Common Customs Tariff.

— From 1 January 1987:

- (a) for tariff headings for which the basic duties do not vary by more than 15 % either above or below the Common Customs Tariff duties, these latter duties shall apply;
- (b) in the other cases, the Portuguese Republic shall apply a duty reducing the variation between the basic duties and the Common Customs Tariff duties in seven equal instalments of 12,5 % on the following dates:
 - 1 January 1987,
 - 1 January 1988,
 - 1 January 1989,
 - 1 January 1990,
 - 1 January 1991,
 - 1 January 1992.

The Portuguese Republic shall apply the Common Customs Tariff in its entirety from 1 January 1993.

Article 361

1. Until 31 December 1992, imports into Portugal of products appearing in Annex XXVIII (a) from other Member States shall be subject to a supplementary trade mechanism defined in this Article.

2. Furthermore, until 31 December 1990, imports into Portugal of the products appearing in Annex XXVIII (b) from Spain shall be subject to the mechanism referred to in paragraph 1.

3. A forward supply estimate for Portugal shall be established for each product concerned before the beginning of each year on the basis of imports made over the three preceding years. This estimate shall show not only imports from the other Member States but also those from third countries. The intra-Community share in this estimate shall be increased each year by a progressive factor of 15 %.

4. Beyond the threshold of the intra-Community share, measures limiting or suspending imports may be taken.

5. Beyond the threshold fixed for the overall supply estimate the Portuguese Republic may take interim protective measures that are immediately applicable, such measures shall be notified without delay to the Commission which may suspend their application in the month following that notification.

6. The detailed implementing rules shall be adopted in accordance with the procedure of Article 33 of Regulation (EEC) No 3796/81.

Article 362

During the period of progressive elimination of customs duties between the Community as at present constituted and Portugal, the following products coming from Portugal may be imported annually into the Community, as at present constituted, with the Common Customs Tariff duties being entirely suspended up to the limits indicated hereafter:

CCT heading No	Description	Quantities (tonnes)
16.04	Prepared or preserved fish, including caviar and caviar substitutes:	
	D. Sardines	5 000
	E. Tunny	1 000
	ex F. Bonito (<i>Sarda</i> spp.), mackerel and anchovies:	
	— Mackerel	1 000

Article 363

1. Until 31 December 1992, the Portuguese Republic may maintain with regard to third countries the quantitative restrictions for the product appearing in Annex XXIX, within the limits and the procedures defined by the Council acting by a qualified majority on a proposal from the Commission.

2. The Community reference price mechanism shall apply to each product once the quantitative restrictions referring thereto are abolished.

CHAPTER 5

External relations

Section I

Common commercial policy

Article 364

1. The Portuguese Republic shall retain, with regard to third countries, quantitative restrictions on imports of products not yet liberalized with regard to the Community as at present constituted. It shall not grant to third countries any other advantage in relation to the Community as at present constituted with respect to the quotas fixed for those products.

These quantitative restrictions shall remain in force for at least such time as quantitative restrictions obtain for the same products with regard to the Community as at present constituted.

2. The Portuguese Republic shall retain, with regard to the State-trading countries referred to in Regulations (EEC) No 1765/82, (EEC) No 1766/82 and (EEC) No 3420/83, quantitative restrictions on imports for products not yet liberalized with regard to countries to which Regulation (EEC) No 288/82 applies. It shall not grant the State-trading countries any other advantage in relation to the countries to which Regulation (EEC) No 288/82 applies with regard to the quotas fixed for those products.

These quantitative restrictions shall remain in force for at least such time as quantitative restrictions obtain for the same products with regard to the countries referred to in Regulation (EEC) No 288/82.

Any amendments to the import arrangements in Portugal for products which are not liberalized by the Community, with regard to State-trading countries, must be made in accordance with the rules and procedures laid down in Regulation (EEC) No 3420/83, and without prejudice to the first subparagraph.

The Portuguese Republic is not, however, required to reintroduce, with regard to State-trading countries, quantitative restrictions on imports for products liberalized with regard to those countries and which are still subject to quantitative restrictions with regard to member countries of the General Agreement on Tariffs and Trade.

3. Until 31 December 1992, the Portuguese Republic may retain, without prejudice to paragraphs 1 and 2, quantitative restrictions on imports in the form of quotas for the products and amounts listed in Annex XXX as temporary derogations from the common liberalization lists for imports contained in Regulations (EEC) No 288/82, (EEC) No 1765/82, (EEC) No 1766/82 and (EEC) No 3419/83, as amended by Regulation (EEC) No 453/84, provided that, as far as the countries which are members of the General Agreement on Tariffs and Trade are concerned, these restrictions have been notified, before accession, in the context of that Agreement.

Imports of those products shall be subject in their entirety to the common liberalization lists in force on 1 January 1993. The quotas shall be progressively increased until that date, in accordance with paragraph 4.

4. The minimum rate of progressive increase of quotas referred to in paragraph 3 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 following increase calculated on the total figure obtained.

Without prejudice to paragraphs 1 and 2, if, while the transitional measures are being applied, imports made in the course of two consecutive years are less than 90 % of the annual quotas opened in accordance with paragraph 3, the Portuguese Republic shall abolish the quantitative restrictions in force.

5. The Portuguese Republic shall retain quantitative restrictions on imports in the form of quotas with respect to all third countries for the products listed in Protocol 23 which are not liberalized by the Community with regard to third countries and for which it retains quantitative restrictions on imports with regard to the Community as at present constituted, in respect of the amounts and at least until the dates laid down in that Protocol.

Any amendment to the import arrangements in Portugal for products referred to in the first subparagraph shall be made in accordance with the rules and procedures laid down by Regulations (EEC) No 288/82 and (EEC) No 3420/83 and without prejudice to paragraphs 1 and 2.

6. In order to comply with the obligations which devolve upon the Community under the General Agreement on Tariffs and Trade with regard to State-trading countries that are members of that Agreement, the Portuguese Republic shall, where appropriate and in so far as is necessary, extend to the said countries the liberalizing measures it must take with regard to the other third country members of the Agreement, while taking into account agreed transitional measures.

Article 365

1. From 1 March 1986, the Portuguese Republic shall apply the generalized preference system for products other than those listed in Annex II to the EEC Treaty. However, as regards the products listed in Annex XXXI, the Portuguese Republic shall progressively align itself by 31 December 1992 on the rates of the generalized preference system starting from the basic duties referred to in Article 189 (2). The timetable of these alignments shall be the same as that referred to in Article 197.

2. (a) As far as the products listed in Annex II to the Treaty are concerned, the preferential rates provided for or calculated shall be applied progressively to the duties actually levied by the Portuguese Republic with regard to third countries, following the general procedures referred to under (b) or the special procedures referred to in Articles 289 and 295.

(b) The Portuguese Republic shall apply, as from 1 March 1986, a duty which reduces the variation between the rate of the basic duty and the rate of the preferential duty in accordance with the following timetable:

- on 1 March 1986, the variation shall be reduced to 90,9 % of the original variation,

- on 1 January 1987, the variation shall be reduced to 81,8 % of the original variation,
- on 1 January 1988, the variation shall be reduced to 72,7 % of the original variation,
- on 1 January 1989, the variation shall be reduced to 63,6 % of the original variation,
- on 1 January 1990, the variation shall be reduced to 54,5 % of the original variation,
- on 1 January 1991, the variation shall be reduced to 45,4 % of the original variation,
- on 1 January 1992, the variation shall be reduced to 36,3 % of the original variation,
- on 1 January 1993, the variation shall be reduced to 27,2 % of the original variation,
- on 1 January 1994, the variation shall be reduced to 18,1 % of the original variation,
- on 1 January 1995, the variation shall be reduced to 9,0 % of the original variation.

The Portuguese Republic shall apply the preferential rates in full as from 1 January 1996.

(c) By way of derogation from point (b), for fisheries products falling within heading Nos 03.01, 03.02, 03.03, 16.04 and 16.05 and subheadings 05.15 A and 23.01 B of the Common Customs Tariff, the Portuguese Republic shall apply, as from 1 March 1986, a duty reducing the variation between the rate of the basic duty and the rate of the preferential duty according to the following system:

- on 1 March 1986, the variation shall be reduced to 87,5 % of the original variation,
- on 1 January 1987, the variation shall be reduced to 75,0 % of the original variation,
- on 1 January 1988, the variation shall be reduced to 62,5 % of the original variation,
- on 1 January 1989, the variation shall be reduced to 50,0 % of the original variation,
- on 1 January 1990, the variation shall be reduced to 37,5 % of the original variation,
- on 1 January 1991, the variation shall be reduced to 25,0 % of the original variation,
- on 1 January 1992, the variation shall be reduced to 12,5 % of the original variation.

The Portuguese Republic shall apply the preferential rates in full as from 1 January 1993.

Section II

Agreements of the Communities with certain third countries

Article 366

1. As from 1 January 1986, the Portuguese Republic shall apply the provisions of the agreements referred to in Article 368.

The transitional measures and any adjustments shall be the subject of protocols concluded with the co-contracting countries and annexed to those agreements.

2. These transitional measures shall be designed to ensure, after their expiry, the application by the Community of a single system for its relations with the co-contracting third countries as well as the identity of the rights and obligations of the Member States.

3. These transitional measures applicable to the countries listed in Article 368 shall not, in any field, result in the Portuguese Republic granting them more favourable treatment than will apply to the Community as at present constituted.

In particular, all products subject to transitional measures in respect of quantitative restrictions applicable to the Community as at present constituted shall be subject to such measures *vis-à-vis* all the countries listed in Article 368, and for an identical period of time subject to any specific derogations.

4. These transitional measures applicable to the countries listed in Article 368 shall not result in the Portuguese Republic giving less favourable treatment to those countries than to other third countries. In particular, transitional measures in respect of quantitative restrictions cannot be envisaged for the countries listed in Article 368 in respect of products which will be free of such restrictions when imported into Portugal from other third countries.

Article 367

If the protocols referred to in Article 366 (1) are not, for reasons outside the control of the Community or the Portuguese Republic, concluded by 1 January 1986, the Community shall take the necessary measures to deal with this situation on accession.

In any case, most favoured-nation treatment shall be applied as from 1 January 1986 by the Portuguese Republic to the countries listed in Article 368.

Article 368

1. Articles 366 and 367 shall apply to:

— the Agreements concluded with Algeria, Austria, Cyprus, Egypt, Finland, Iceland, Israel, Jordan, Lebanon, Malta, Morocco, Norway, Sweden, Switzerland, Syria, Tunisia, Turkey and Yugoslavia, and to other Agreements concluded with third countries and concerning exclusively trade in the products of Annex II of the EEC Treaty.

— the new Agreement between the Community and the African, Caribbean and Pacific countries, signed on 8 December 1984.

2. The agreements resulting from the Second ACP-EEC Convention and the Agreement on products within the province of the European Coal and Steel Community, signed on 31 October 1979, shall not apply in relations between the Portuguese Republic and the African, Caribbean and Pacific States.

Article 369

The Portuguese Republic shall withdraw, with effect from 1 January 1986, from the Convention establishing the European Free Trade Association signed on 4 January 1960.

Section III

Textiles

Article 370

1. As from 1 January 1986, the Portuguese Republic shall apply the Arrangement of 20 December 1973 regarding International Trade in Textiles as well as the bilateral agreements concluded by the Community under that Arrangement, or with other third countries. Protocols of adjustment of these agreements shall be negotiated by the Community with third countries, that are parties to the agreements, in order to provide for voluntary restraint on exports to Portugal in the case of products and origins for which there are limitations on exports to the Community.

2. Should these protocols not have been concluded by 1 January 1986, the Community shall take measures designed to deal with this situation and concerning the necessary transitional adjustments to ensure that the agreements are implemented by the Community.

CHAPTER 6

Financial provisions

Article 371

1. The Decision of 21 April 1970 on the replacement of financial contributions from Member States by the Communities' own resources, hereinafter referred to as 'the Decision of 21 April 1970', shall be applied in accordance with Articles 372 to 375.

2. Any reference to the Decision of 21 April 1970 made in the Articles of this Chapter shall be under-

stood as referring to the Council Decision of 7 May 1985 on the Communities' system of own resources, as from the entry into force of that Decision.

Article 372

The revenue designated as 'agricultural levies' referred to in the first paragraph of Article 2 (a), of the Decision of 21 April 1970 shall also include the revenue from any amount recorded on import in trade between Portugal and the other Member States and between Portugal and third countries under Articles 233 to 345, 210 (3) and 213.

However, that revenue shall include only from the beginning of the second stage the levies and other amounts referred to in the preceding paragraph, recorded for products subject to transitional arrangements by stages under Articles 309 to 341.

Notwithstanding the provisions of the preceding paragraph, the Council, acting unanimously on a proposal from the Commission, may decide before the end of the first stage to refund to Portugal, within the limits and in accordance with procedures to be defined and for a period not exceeding two years, revenue from 'accession' compensatory amounts applied by Portugal to imports of cereals from the other Member States.

Article 373

The revenue designated as 'customs duties' referred to in the first paragraph of Article 2 (b) of the Decision of 21 April 1970 shall include, until 31 December 1992, customs duties calculated as if the Portuguese Republic applied, from accession, in trade with third countries the rates resulting from the Common Customs Tariff and the reduced rates resulting from any tariff preference applied by the Community. For the customs duties relating to oilseeds and oleaginous fruits and products derived therefrom, falling within Regulation No 136/66/EEC, and for the agricultural products subject to transitional arrangements by stages under Articles 309 to 341, the same rule shall apply until 31 December 1995.

However, this revenue shall not include, during the first stage, the customs duties imposed on agricultural products imported into Portugal and subject to the transitional arrangements by stages under Articles 309 to 341.

Where the provisions adopted by the Commission under Article 210 (3) of this Act are applied, and by way of derogation from the first subparagraph, the customs duties shall correspond to the amount calculated in accordance with the rate of the compensatory levy

fixed by those provisions for third-country products incorporated in the manufacture.

The Portuguese Republic shall make a monthly calculation of these customs duties on the basis of customs declarations of a single month. The calculation thus obtained for the customs duties on the basis of recordings during the month in question shall be made available to the Commission under the conditions defined in Regulation (EEC, Euratom, ECSC) No 2891/77.

As from 1 January 1993, the total amount of the customs duties recorded shall be due in its entirety. However, with regard to the products referred to in Articles 309 to 341 subject to transitional arrangements by stages, and with regard to oilseeds and oleaginous fruit and products derived therefrom, falling within Regulation 136/66/EEC, the total amount of those duties shall be due in its entirety from 1 January 1996.

Article 374

The amount of duties established under own resources accruing from value added tax or from financial contributions based upon the gross national product pursuant to Article 4 (1) to (5) of the Decision of 21 April 1970 shall be due in its entirety as from 1 January 1986.

The derogation referred to in point 15 of Article 15 of Sixth Council Directive 77/388/EEC shall not affect the amount of duties due under the first paragraph.

The Community shall refund to the Portuguese Republic, as an item of expenditure under the general budget of the European Communities, during the month following its availability to the Commission, a proportion of the amount of payments under own resources accruing from value added tax or from financial contributions based on the gross national product in accordance with the following procedure:

- 87 % in 1986,
- 70 % in 1987,
- 55 % in 1988,
- 40 % in 1989,
- 25 % in 1990,
- 5 % in 1991.

The percentage of this graduated refund shall not apply to the amount corresponding to the share borne by Portugal in financing the deduction provided for in Article 3 (3) (b), (c) and (d) of the Council Decision of 7 May 1985 on the Communities' system of own resources, in favour of the United Kingdom.

Article 375

In order to prevent the Portuguese Republic from bearing the cost of reimbursement of advances granted to the Community by its Member States before 1 January 1986, the Portuguese Republic shall benefit from financial compensation in respect of that reimbursement.

CHAPTER 7

Other provisions*Article 376*

Notwithstanding Article 60 of the ECSC Treaty and its implementing provisions, Portuguese steel undertakings may apply, in the autonomous regions of the Azores and Madeira, until 31 December 1992, a cif port of destination price equal to a basing price in force on the mainland territory of the Portuguese Republic.

Article 377

The Portuguese Republic may, until 31 December 1992, derogate from the provisions of Article 95 of the EEC Treaty with regard to excise duties on manufactured tobacco produced in the autonomous regions of the Azores and Madeira, under the conditions defined in Annex XXXII for the application of Council Directive 72/464/EEC of 19 December 1972.

TITLE IV

OTHER PROVISIONS*Article 378*

1. The Acts listed in Annex XXXII to this Act shall apply in respect of the new Member States under the conditions laid down in that Annex.

2. At the duly substantiated request of the Kingdom of Spain or the Portuguese Republic, the Council, acting unanimously on a proposal from the Commission, may, before 1 January 1986, take measures consisting of temporary derogations from acts of the institutions of the Communities adopted between 1 January 1985 and the date of signature of this Act.

Article 379

1. If, before 31 December 1992, the difficulties arise which are serious and liable to persist in any sector of the economy or which could bring about serious deter-

ioration in the economic situation of a given area, a new Member State may apply for authorization to take protective measures in order to rectify the situation and adjust the sector concerned to the economy of the common market.

In the same circumstances, any present Member State may apply for authorization to take protective measures with regard to one or both of the new Member States.

This provision shall apply until 31 December 1995 for products or sectors in respect of which this Act allows transitional derogations of equivalent duration.

2. On application by the State concerned, the Commission shall, by emergency procedures, determine the protective measures which it considers necessary specifying the circumstances and the manner in which they are to be put into effect.

In the event of serious economic difficulties and at the express request of the Member State concerned, the Commission shall act within five working days of the receipt of the request, accompanied by the relevant background information. The measures thus decided on shall be applicable forthwith.

In the agricultural and fisheries sector, without prejudice to the provisions of Chapter 3 of Titles II and III, where trade between the Community as at present constituted and one or other new Member State or between them causes or threatens to cause serious disturbances on the market of a Member State, the Commission shall act upon a request by the Member State concerned for the application of such protective measures as it considers necessary within 24 hours of receiving such request. The measures thus decided on shall be applicable forthwith and shall take account of the interests of all parties concerned and, in particular, transport problems.

3. The measures authorized under paragraph 2 may involve derogations from the rules of the EEC Treaty and the ECSC Treaty, and of this Act to such an extent and for such periods as are strictly necessary in order to attain the objectives referred to in paragraph 1. Priority shall be given to such measures as will least disturb the functioning of the common market.

4. If difficulties rise which are serious and liable to persist in the employment market of the Grand Duchy of Luxembourg, that State may apply for authorization, in accordance with the procedure set out in the first and second subparagraphs of paragraph 2 and under the conditions defined in paragraph 3, to apply provisionally until 31 December 1995 protective measures within the framework of national provisions governing change in employment, with regard to workers who are nationals of a new Member State allowed to immigrate to the Grand Duchy after the date of that authorization with a view to taking up employment there.

1. If, before the expiry of the period of application of the transitional measures laid down under this Act for each case, the Commission, on application by a Member State or by any other interested party and in accordance with rules of procedure to be adopted upon accession by the Council acting by a qualified majority on a proposal from the Commission, finds that dumping is being practised between the Community as at present constituted and the new Member States or between the new Member States, it shall address recommendations to the person or persons with whom such practices originate for the purpose of putting an end to them.

Should the practices continue, the Commission shall authorize the injured Member State or States to take protective measures, the conditions and details of which the Commission shall determine.

2. For the application of this Article to the products listed in Annex II to the EEC Treaty, the Commission shall evaluate all relevant factors, in particular the level of prices at which these products are imported into the market in question from elsewhere, account being taken of the provisions of the EEC Treaty relating to agriculture and in particular Article 39.

3. The measures adopted before accession under Regulation (EEC) No 2176/84 and Decision 2177/84/ECSC) with regard to the new Member States, and those adopted before accession under the anti-dumping legislation of the new Member States with regard to the Community as at present constituted, shall remain provisionally in force and shall be re-examined by the Commission which shall decide whether to amend or repeal them. Such amendment or repeal shall be implemented by the Commission or the national authorities concerned, as the case may be. Proceedings instituted before accession in Spain, Portugal or in the Community as at present constituted shall be pursued in accordance with the provisions of paragraph 1.

PART FIVE

PROVISIONS RELATING TO THE IMPLEMENTATION OF THIS ACT

TITLE I

SETTING UP OF THE INSTITUTIONS

Article 381

The Assembly shall meet no later than one month after the accession. It shall make such adaptations to its rules of procedure as are rendered necessary by that accession.

Article 382

The Council shall make such adaptations to its rules of procedure as are rendered necessary by accession.

Article 383

1. Upon accession, the Commission shall be enlarged by the appointment of three supplementary members and the designation of a sixth vice-president from among the members of the enlarged Commission. The term of office of the members appointed shall expire at the same time as that of the members holding office on the date of accession.

The term of office of the sixth vice-president appointed shall expire on the same date as that of the five other vice-presidents.

2. Before 31 December 1986, the Council shall examine for the first time whether the fourth subparagraph

of Article 14 of the Treaty establishing a single Council and a single Commission of the European Communities should be applied.

3. The Commission shall make those changes to its rules of procedure which are rendered necessary as a result of accession.

Article 384

1. Upon accession, two judges shall be appointed to the Court of Justice.

2. The term of office of one of the judges appointed in accordance with paragraph 1 shall expire on 6 October 1988. That judge shall be chosen by lot. The term of office of the other judge shall expire on 6 October 1991.

3. Upon accession, a sixth advocate-general shall be appointed. His term of office shall expire on 6 October 1988.

4. The Court shall make such adaptations to its rules of procedure as are rendered necessary by the accession. The rules of procedure as adapted shall require the unanimous approval of the Council.

5. In order to try cases pending before the Court on 1 January 1986 in respect of which oral proceedings have started before that date, the full Court or the

Chambers shall be composed as before the accession and shall apply the rules of procedure in force on 31 December 1985.

Article 385

Upon accession, the Court of Auditors shall be enlarged by the appointment of two additional members. The term of office of the members so appointed shall expire on 17 October 1987.

Article 386

Upon accession, the Economic and Social Committee shall be enlarged by the appointment of 33 members representing the various categories of economic and social activity in the new Member States. The terms of office of the members thus appointed shall expire at the same time as those of the members in office at the time of accession.

Article 387

Upon accession, the Consultative Committee of the European Coal and Steel Community shall be enlarged by the appointment of additional members. The terms of office of the members thus appointed shall expire at the same time as those of the members in office at the time of accession.

Article 388

Upon accession, the Scientific and Technical Committee shall be enlarged by the appointment of five additional members. The terms of office of the members thus appointed shall expire at the same time as those of the members in office at the time of accession.

Article 389

Upon accession, the Monetary Committee shall be enlarged by the appointment of members representing the new Member States. Their terms of office shall expire at the same time as those of the members in office at the time of accession.

Article 390

Adaptations to the rules of the Committees established by the original Treaties and to their rules of procedure, necessitated by the accession, shall be made as soon as possible after accession.

Article 391

1. The terms of office of the new members of the Committees listed in Annex XXXIII shall expire at the

same time as those of the members in office at the time of accession.

2. Upon accession, the membership of the Committees listed in Annex XXXIV shall be completely renewed.

TITLE II

APPLICABILITY OF THE ACTS OF THE INSTITUTIONS

Article 392

Upon accession, the new Member States shall be considered as being addressees of and as having received notification of Directives and Decisions within the meaning of Article 189 of the EEC Treaty and of Article 161 of the Euratom Treaty, and of recommendations and decisions within the meaning of Article 14 of the ECSC Treaty, provided that those directives, recommendations and decisions have been notified to all the present Member States.

Article 393

The application in each of the new Member States of the acts listed in Annex XXXV to this Act shall be postponed until the dates specified in that list.

Article 394

1. The following shall be postponed until 1 March 1986:

- (a) the application to the new Member States of the Community rules introduced for the production of and trade in agricultural products and for the trade in certain goods resulting from the processing of agricultural products subject to special arrangements; and
- (b) the application to the Community as at present constituted of amendments made to those rules by this Act, including those resulting from Article 396.

2. Paragraph 1 shall not apply to the adjustments to the acts of the Community institutions falling within the common agricultural policy which will be effected, in accordance with Article 396, with a view to determining the number of votes which shall express, on accession, the qualified majority within the framework of the procedure of Management Committees or other similar Committees set up in the sphere of agriculture.

3. The arrangements applicable to trade between a new Member State on the one hand, and the Com-

munity as at present constituted, the other new Member State or third countries, on the other hand shall, until 28 February 1986, be those that applied before accession.

Article 395

The new Member States shall put into effect the measures necessary for them to comply, from the date of accession, with the provisions of Directives and Decisions within the meaning of Article 189 of the EEC Treaty and of Article 161 of the Euratom Treaty, and with recommendations and decisions within the meaning of Article 14 of the ECSC Treaty, unless a time limit is provided for in the list of Annex XXXVI or in any other provisions of this Act.

Article 396

1. Adaptations to the acts of the institutions of the Communities not included in this Act or its Annexes, made by the institutions before accession, in accordance with the procedure set out in paragraph 2 to bring those acts into line with the provisions of this Act, in particular those of Part Four, shall enter into force as from the accession.

2. The Council, acting by a qualified majority on a proposal from the Commission, or the Commission, according to which of these two institutions adopted the original acts, shall to this end draw up the necessary texts.

Article 397

The texts of the acts of the institutions of the Communities adopted before the accession and drawn up by the Council or the Commission in the Spanish and Portuguese language shall, from the date of accession, be authentic under the same conditions as the texts drawn up in the present seven languages. They shall be published in the *Official Journal of the European Communities* if the texts in the present languages were so published.

Article 398

Agreements, Decisions and concerted practices in existence at the time of accession which come within the scope of Article 65 of the ECSC Treaty by reason of the accession must be notified to the Commission within three months of accession. Only Agreements and Decisions which have been notified shall remain provisionally in force until a Decision has been taken by the Commission.

Article 399

Provisions laid down by law, regulation or administrative action designed to ensure the protection of the

health of workers and the general public in the territory of the Member States against the dangers arising from ionizing radiations shall, in accordance with Article 33 of the Euratom Treaty, be communicated by those States to the Commission within three months of accession.

TITLE III

FINAL PROVISIONS

Article 400

Annexes I to XXXVI and Protocols 1 to 25 attached to this Act, shall form an integral part thereof.

Article 401

The Government of the French Republic shall remit a certified copy of the Treaty establishing the European Coal and Steel Community and the Treaties amending that Treaty to the Governments of the Kingdom of Spain and of the Portuguese Republic.

Article 402

The Government of the Italian Republic shall remit to the Governments of the Kingdom of Spain and of the Portuguese Republic a certified copy of the Treaty establishing the European Economic Community, the Treaty establishing the European Atomic Energy Community and the Treaties amending or supplementing them, including the Treaties concerning the accession of the Kingdom of Denmark, Ireland and the United Kingdom of Great Britain and Northern Ireland and of the Hellenic Republic to the European Economic Community and the European Atomic Energy Community, in the Danish, Dutch, English, French, German, Greek, Irish and Italian languages.

The texts of those Treaties, drawn up in the Spanish and Portuguese languages, shall be annexed to this Act. Those texts shall be authentic under the same conditions as the texts of the Treaties referred to in the first paragraph, drawn up in the present languages.

Article 403

A certified copy of the international agreements deposited in the archives of the General Secretariat of the Council of the European Communities shall be remitted to the Governments of the new Member States by the Secretary-General.