

COUNCIL DECISION

of 14 December 2011

on the signing, on behalf of the Union, and provisional application of the Agreement between the European Union and the Government of the Russian Federation on trade in parts and components of motor vehicles between the European Union and the Russian Federation

(2012/106/EU)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular the first subparagraph of Article 207(4) in conjunction with Article 218(5) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) In view of the economic importance for the Union of exports of motor vehicles and parts and components thereof to the Russian Federation, and as a result of negotiations regarding the accession of the Russian Federation to the World Trade Organization (WTO), as reflected in the Working Party report for that accession, the investment regime in the automotive sector applied by the Russian Federation, as amended on 24 December 2010, may continue to be applied until 1 July 2018 under certain conditions.
- (2) There is a risk that the Russian Federation's investment regime in the automotive sector may result in the delocalisation of production of parts and components of motor vehicles from the Union on account of the obligations imposed on investors under such regime to meet local content and production localisation requirements.
- (3) In the context of the negotiations regarding the accession of the Russian Federation to the WTO, the Commission has negotiated, on behalf of the Union, an Agreement on trade in parts and components of motor vehicles between the European Union and the Russian Federation ('the Agreement') which establishes a compensation mechanism to ensure that imports of parts and components of motor vehicles from the Union to the Russian Federation do not decrease as a result of the application of the investment regime in the automotive sector.

- (4) The Agreement should be signed. The Agreement should be applied on a provisional basis, pending the completion of the procedures for its conclusion,

HAS ADOPTED THIS DECISION:

Article 1

The signing of the Agreement between the European Union and the Government of the Russian Federation on trade in parts and components of motor vehicles between the European Union and the Russian Federation, is hereby authorised on behalf of the Union, subject to the conclusion of the said Agreement.

The text of the Agreement is attached to this Decision.

Article 2

The President of the Council is hereby authorised to designate the person(s) empowered to sign the Agreement on behalf of the Union.

Article 3

In accordance with Article 13(3) of the Agreement, it shall be applied on a provisional basis as from the date of accession of the Russian Federation to the WTO, pending the completion of the procedures for the conclusion of the Agreement ⁽¹⁾.

Article 4

This Decision shall enter into force on the date of its adoption.

Done at Geneva, 14 December 2011.

For the Council
The President
M. NOGAJ

⁽¹⁾ The date from which the Agreement will be provisionally applied will be published in the *Official Journal of the European Union* by the General Secretariat of the Council.