



Brussels, 6.12.2023
COM(2023) 950 final

ANNEX

ANNEX

to the

Proposal for a COUNCIL DECISION

on the position to be taken on behalf of the European Union in the Partnership Council established by the Trade and Cooperation Agreement between the European Union and the European Atomic Energy Community, of the one part, and the United Kingdom of Great Britain and Northern Ireland, of the other part as regards the transitional product-specific rules for electric accumulators and electrified vehicles

ANNEX

DECISION No X/2023 OF THE PARTNERSHIP COUNCIL established by the Trade and Cooperation Agreement between the European Union and the European Atomic Energy Community, of the one part, and the United Kingdom of Great Britain and Northern Ireland, of the other part as regards the transitional product-specific rules of origin for electric accumulators and electrified vehicles

THE PARTNERSHIP COUNCIL,

Having regard to the Trade and Cooperation Agreement between the European Union and the European Atomic Energy Community, of the one part, and the United Kingdom of Great Britain and Northern Ireland, of the other part, and in particular its Article 68 and its Annex 5,

Whereas:

- (1) The Trade and Cooperation Agreement, in its Annex 5, provides for a phased-in entry into force of product-specific rules of origin for electric accumulators and electrified vehicles.
- (2) Concerns were raised about challenges posed by the application of these rules to the assembly of electric vehicles in the European Union and in the United Kingdom.
- (3) It is therefore appropriate to extend the application of the product-specific rules of origin for electric accumulators and electrified vehicles applicable until 31 December 2023 up to 31 December 2026. From 1 January 2027, the product-specific rules of origin for electric accumulators and electrified vehicles as set out in Annex 3 of the Trade and Cooperation Agreement will apply.
- (4) The aim of the product-specific rules for electric accumulators and electrified vehicles set out in the Trade and Cooperation Agreement is to incentivise the investment in a manufacturing capacity in the European Union and in the United Kingdom. No further postponement of the incoming rules should be considered. Therefore, the envisaged amendment should furthermore remove the possibility for further changes to the product-specific rules of origin for electric accumulators and electrified vehicles until 1 January 2032.

HAS ADOPTED THIS DECISION:

Article 1

Article 68 of the Trade and Cooperation Agreement is replaced by the following:

"1. The Partnership Council may amend this Chapter and its Annexes, subject to paragraph 2.

2. Paragraph 1 shall not apply to:

- (a) Annex 5 to this Agreement;
- (b) the product-specific rules of origin set out in Annex 3 for products listed in Annex 5, until 1 January 2032; and
- (c) this Article, insofar as it relates to Annex 3 for products listed in Annex 5, and Annex 5;

However, paragraph 1 shall apply where the product-specific rules of origin set out in Annex 3 for products listed in Annex 5, or in Annex 5 are amended due to updates of the Harmonised System."

Article 2

Annex 5 to the Trade and Cooperation Agreement is replaced by the text in Annex to this Decision.

Article 3

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

Done at ..., ...

For the Partnership Council

The Co-chairs

**TRANSITIONAL PRODUCT-SPECIFIC RULES FOR ELECTRIC
ACCUMULATORS AND ELECTRIFIED VEHICLES**

Interim product-specific rules applicable from the entry into force of this Agreement until 31 December 2026

For the products listed in column 1 below, the product-specific rule listed in column 2 shall apply for the period from the entry into force of this Agreement until 31 December 2026.

<p align="center">Column 1</p> <p align="center">Harmonised System classification (2017) including specific description</p>	<p align="center">Column 2</p> <p align="center">Product-specific rule of origin applicable from the entry into force of this Agreement until 31 December 2026</p>
85.07	
<p>— Accumulators containing one or more battery cells or battery modules and the circuitry to interconnect them amongst themselves, often referred to as "battery packs", of a kind used as the primary source of electrical power for propulsion of vehicles of headings 87.02, 87.03 and 87.04</p>	<p>CTSH; Assembly of battery packs from non-originating battery cells or battery modules; or MaxNOM 70 % (EXW)</p>
<p>— Battery cells, battery modules, and parts thereof, intended to be incorporated into an electric accumulator of a kind used as the primary source of electrical power for propulsion of vehicles of headings 87.02, 87.03 and 87.04</p>	<p>CTH; or MaxNOM 70 % (EXW)</p>
87.02-87.04	
<p>— vehicles with both internal combustion engine and electric motor as motors for propulsion other than those capable of being charged by plugging to external source of electric power ("hybrid");</p> <p>— vehicles with both internal combustion piston engine and electric motor as motors for propulsion capable of being charged by plugging to external source of electric power ("plug-in hybrid");</p> <p>— vehicles with only electric motor for propulsion</p>	<p>MaxNOM 60 % (EXW)</p>