

European Union Tariff Initiative On Distilled Spirits

AGREEMENT
IN THE FORM OF
A MEMORANDUM OF UNDERSTANDING
BETWEEN THE UNITED STATES OF AMERICA
AND THE EUROPEAN COMMUNITY
ON SPIRITUOUS BEVERAGES

MEMORANDUM OF UNDERSTANDING

ex 2208 Spirits, liqueurs and other spirituous beverages

As agreed in Singapore we have engaged in detailed negotiations regarding the elimination of duties on certain spirituous beverages.

Subject to the completion of our respective internal procedures, and with the exception of rum (2208.40) for which the special provisions set out in the Annex apply, the EC and US will eliminate their duties scheduled to be in force on 1 July 1997 for the HS96 headings listed below in 4 equal stages commencing 1 July 1997, followed by further reductions on 1 January 1998, 1 January 1999 and 1 January 2000:

HS 96

2208.20

spirits obtained by distilling grape wine or grape marc (grape brandy)

2208.30

whiskies

2208.50

gin and geneva vodka liqueurs and cordials

2208.60

vodka

2208.70

liqueurs and cordials

ex 2208.90 other than un-denatured ethyl alcohol of an alcoholic strength by volume of less than 80% volume (covered by 2208.90.91 and 2208.90.99 by the EC and within 2208.90.80 by the US).

ANNEX

Subject: 2208.40 Rum and Taffia

A. EC Duties

1. The reductions in duties on rum with a content of volatile substances other than ethyl and methyl alcohol equal to or exceeding 225 grams per hectolitre of pure alcohol with a 10% tolerance shall be as set out below:

In containers holding 2 litres or less

In containers holding more than 2 litres

Base rate

0,8 Ecu/%vol/hl + 4,1 Ecu/hl

0,8 Ecu/%vol/hl

1 July 1997

0,8 Ecu/%vol/hl + 4,1 Ecu/hl

0,8 Ecu/%vol/hl

1 July 1998

0,7 Ecu/%vol/hl +3,8 Ecu,/hl

0,7 Ecu/%vol/hl

1 July 1999

0,65 Ecu/%vol/hl +3,5 Ecu/hl

0,65 Ecu/%vol/hl

1 July 2000

0,6 Ecu/%vol/hI + 3,2 Ecu/hl

0,6 Ecu/%vol/hl

2. The EC duty on rum and taffia, other than that specified in paragraph 1 above, of a value specified in the following table shall be subject to the reduced duty rates below within the tariff quota amounts indicated until duty treatment is reached on 1 January 2003. The tariff quota amounts cover rum in whatever size of container.

Duty rate	
In containers holding 2 litres or less Value over Ecu 7,9 per litre of 100% alcohol	
In containers holding 2 litres or less Value over Ecu 2,0 per litre of 100% alcohol	
Tariff quota amount	
Litre of 100% alcohol	
1 July 1997	
0,7 u/%voI/hI +3,5 Ecu/hI	
0,7 Ecu/%vol/hl	
	890 000
1 January 1998	
0,6 Ecu/%voI/hI+ 2,9 Ecu/hI	
0,6 Ecu/%vol/hl	
	1 950 000
1 January 1999	
0,5 Ecu/%vol/hl	
+2,3 Ecu/hl	
0,5 Ecu/%vol/hl	
	2 145 000
1 January 2000	
0,4 Ecu/%vol	
0,4 Ecu/%vol/hl	
	2 359 500
1 January 2001	
0,3 Ecu/%vol/hI+ 1,2 Ecu/hI	
0,3 Ecu/%vol/hl	
	2 595 450
1 January 2002	
0,2 Ecu/%vol/hl	
+0,6 Ecu/hI	
0,2 Ecu/%voI/hI	

2 854 995

From 1 January 2003

Free

Free

unlimited

3. Rum and taffia below the price breaks indicated above as well as rum and taffia not covered by tariff quota amounts shall be subject to the same duty-free rates as shown in paragraph 1 above.

4. The European Community shall promptly notify the United States of any changes between 1 January 2000 and 1 January 2003 in the preferential treatment accorded to its imports of rum. The European Community shall, upon request, promptly enter into consultations with the United States with respect to any matter concerning US exports of rum, under paragraph 2 above, to the Community, with a view to reaching a mutually agreed solution on any matter raised in the consultations.

B. US Duties

5. The following reduction in duties shall apply to rum and taffia.

rum and taffia

(a) in containers each not holding over 4 liters valued over \$3.00 per proof liter; and

(b) in containers each holding over 4 liters valued over 69 cents per proof liters

rum and taffia

(a) in containers each not holding over 4 liters valued not over \$3.00 per proof liter; and

(b) in containers each holding over 69 cents per proof liter.

July 1, 1997

26.1 cents/proof liter

30.4 cents/proof liter

January 1 1998

21.7 cents/proof liter

28.1 cents/proof liter

January 1, 1999

17.4 cents/proof liter

25.9 cents/proof liter

January 1 2000

13.0 cents/proof liter

23.7 cents/proof liter
 January 1 2001
 8.7 cents/proof liter
 23.7 cents/proof liter
 January 1, 2002
 4.3 cents/proof liter
 23.7 cents/proof liter
 January 1, 2003
 0
 23.7 cents/proof liter

EC - SPIRITS - Schedule CXL

CN 97

Label

Base Rate

Final Bound Rate

Jul 97

**Imple-
mentation**

Jan. 98

**Imple-
mentation**

Jan.99

**Imple-
mentation**

Jan. 2000

**Imple-
mentation**

2208

Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80% vol; spirits, liqueurs and other spirituous beverages

2208 20

Spirits obtained by distilling grape wine or grape marc

In containers holding 2 litres or less

2208 20 12

Cognac

1.12 Ecu/%
vol/hl + 7 Ecu/hl

free

0.84 Ecu/%vol + 5.3 Ecu/hl

0.56 Ecu/%
vol/hl + 3.5 Ecu/hl

0.28 Ecu/%

free

2208 20 14

Amagnac

1.12 Ecu/% vol/hl + 7 Ecu/hl

free

0.84 Ecu/%vol + 5.3 Ecu/hl

0.56 Ecu/%
vol/hl + 3.5 Ecu/hl

0.28 Ecu/%vol/hl + 1.8 Ecu/hl

free

2208 20 26

Grappa

1.12 Ecu/% vol/hl + 7 Ecu/hl

free

0.84 Ecu/%vol + 5.3 Ecu/hl

0.56 Ecu/%
vol/hl + 3.5 Ecu/hl

0.28 Ecu/%vol/hl + 1.8 Ecu/hl

free

2208 20 27

Brandy de Jerez

1.12 Ecu/% vol/hl + 7 Ecu/hl

free

0.84 Ecu/%vol + 5.3 Ecu/hl

0.56 Ecu/%
vol/hl + 3.5 Ecu/hl

0.28 Ecu/%vol/hl + 1.8 Ecu/hl

free

2208 20 29

Other

1.12 Ecu/% vol/hl + 7
Ecu/hl

free

0.84 Ecu/%vol + 5.3 Ecu/hl

0.56 Ecu/%
vol/hl + 3.5 Ecu/hl

0.28 Ecu/%vol/hl + 1.8 Ecu/hl

free

2208 20 40

In containers holding more than 2 litres Raw distillate

1.12 Ecu/% vol/hl

free

0.84 Ecu/%vol

0.56 Ecu/%
vol/hl

0.28 Ecu/%vol/hl

free

2208 20 62

Other Cognac

1.12 Ecu/% vol/hl

free

0.84 Ecu/%vol

0.56 Ecu/%
vol/hl

0.28 Ecu/%vol/hl

free
2208 20 64
Armagnac
1.12 Ecu/% vol/hl
free
0.84 Ecu/%vol
0.56 Ecu/%
vol/hl
0.28 Ecu/%vol/hl
free
2208 20 86
Grappa
1.12 Ecu/% vol/hl
free
0.84 Ecu/%vol
0.56 Ecu/%
vol/hl
0.28 Ecu/%vol/hl
free
2208 20 87
Brandy de Jerez
1.12 Ecu/% vol/hl
free
0.84 Ecu/%vo
0.56 Ecu/%
vol/hl
0.28 Ecu/%vol/hl
free

EC SPIRITS-Schedule CXL

CN 97

Label

Base Rate

Final Bound Rate

Jul 97

Jan 98

Jan. 99

Jan 2000

2208 20 89

Other

1.12 Ecu/% vol/hl

free

0.84 Ecu/%vol vol/hl

0.56 Ecu/% vol/hl

0.28 Ecu/% vol/hl

free

2208 30

Whiskies

Bourbon whiskey, in containers holding

2208 30 11

2 litres or less

0.2 Ecu/% vol/hl + 1.5 Ecu/hl

free

0.15 Ecu/% vol/hl + 1.13 Ecu/hl

0.1 Ecu/% vol/hl + 0.8 Ecu/hl

0.05 Ecu/% vol/hl + 0.8 Ecu/hl

free

2208 30 19

More than 2 litres

0.2 Ecu/% vol/hl

free

0.15 Ecu/% vol/hl

0.1 Ecu/% vol/hl
vol/hl

0.05 Ecu/%

free

2208 30 32

Scotch whisky

Malt whisky, in containers holding 2 litres or less

0.28 Ecu/% vol/hl + 2.1 Ecu/hl

free

0.21 Ecu/% + 1.6 Ecu/hl

0.14 Ecu/% vol/hl + 1.1 Ecu/hl

0.07 Ecu/% vol/hl + 0.5 Ecu/hl

free

2208 30 38

More than 2 litres

0.28 Ecu/% vol/hl

free

0.21 Ecu/%vol/hl + 1.6 Ecu/hl

0.14 Ecu/% vol/hl

0.07 Ecu/%vol/hl

free

2208 30 52

Blended whisky, in containers holding 2 litres or less

0.28 Ecu/% vol/hl + 2.1 Ecu/hl

free

0.21 Ecu/%vol/hl + 1.6 Ecu/hl

0.14 Ecu/% vol/hl + 1.1 Ecu/hl

0.07 Ecu/% vol/hl + 0.5 Ecu/hl

free

2208 30 58

More than 2 tires

0.28 Ecu/% vol/hl

free

0.21 Ecu/% vol/hl

0.14 Ecu/% vol/hl

0.07 Ecu/% vol/hl

free

2208 30 72

Other, in containers holding 2 litres or less

0.28 Ecu/% vol/hl + 2.1 Ecu/hl

free

0.21 Ecu/% + 1.6 Ecu/hl

0.14 Ecu/% vol/hl + 1.1 Ecu/hl
0.07 Ecu/% vol/hl + 0.5 Ecu/hl
free
2208 30 78
More than 2 litres
0.28 Ecu/% vol/hl
free
0.21 Ecu/% vol/hl
0.14 Ecu/% vol/hl
0.07 Ecu/% vol/hl
free
2208 30 82
Other, in containers holding 2 litres or less
0.28 Ecu/% vol/hl + 2.1 Ecu/hl
free
0.21 Ecu/% + 1.6 Ecu/hl
0.14 Ecu/% vol/hl + 1.1 Ecu/hl
0.07 Ecu/% vol/hl + 0.5 Ecu/hl
free

CN 97
Label
Base Rate
Final Bound
Jul 97
Jan 98
Jan 99
Jan 2000

2208 30 88
More than 2 Litres
0.28 Ecu/% vol/hl
free
0.21 Ecu/% vol/hl
0.21 Ecu/% vol/hl
0.14 Ecu/% vol/hl

0.07 Ecu/% vol/hl

2208 40

2208 40 10

Rum and Taffia:

In containers holding 2 litres or less Ex. Rum with a content of volatile substances other ethyl and methyl alcohol equal to or exceeding 225 gams per hectolitre of pure alcohol with a 10% tolerance.

Ex. Other

0.8 Ecu/% vol/hl + 4.1 Ecu/hl

0.8 Ecu/% vol/hl + 4.1 Ecu/hl

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See Appendix A

See Appendix A

See
Appendix A

2208 50

2208 50 11

Gin and geneva:

Gin, in containers holding:
2 litres or less

0.8 Ecu/% vol/hl + 4.1 Ecu/hl

free

0.6 Ecu/% vol/hl + 3.1 Ecu/hl

0.4 Ecu/% vol/hl + 2.1 Ecu/hl

0.2 Ecu/% vol/hl + 1.0 Ecu/hl

free

2208 50 19

More than 2 litres

0.8 Ecu/% vol/hl

free

0.6 Ecu/% vol/hl

0.4 Ecu/% vol/hl

0.2 Ecu/% vol/hl

free

2208 50 91

Geneva, in containers holding: 2 litres or less

1.3 Ecu/% vol/hl + 8.2 Ecu/hl

free

1.0 Ecu/% vol/hl + 6.2 Ecu/hl

0.7 Ecu/% vol/hl + 4.1 Ecu/hl

0.3 Ecu/% vol/hl + 2.1 Ecu/hl

free

2208 50 99

More than 2 litres

1.3 Ecu/% vol/hl

free

1.0 Ecu/% vol/hl

0.7 Ecu/% vol/hl

0.3 Ecu/% vol/hl

free

2208 60

Vodka

Of an alcoholic strenght by volum of 45.4% vol or less in containers holding:
2 litres or less

1.1 Ecu/%

free

0.8 Ecu/% l

0.6 Ecu/% l

0.3 Ecu/%

free

EC SPIRITS SCHEDULE CXL

CN 97

Label

Base Rate

Final Bound Rate

Jan.97

Jan 98

Jan. 99

Jan 2000

2208 90 41

Ouzo

Other

Sprits(excluding Liqueurs)

Distilled from fruit

1.3 Ecu/% vol/hl + 8.2 Ecu/hl

free

1.0 Ecu/% vol/hl + 6.2 Ecu/hl

0.7 Ecu/% vol/hl + 4.1 Ecu/hl

0.3 Ecu/% vol/hl + 2.1 Ecu/hl

free

2208 90 45

Calvados

1.12 Ecu/% vol/hl + 7 Ecu/hl

free

0.84 Ecu/% vol/hl + 5.3 Ecu/hl

0.56 Ecu/% vol/hl + 3.5 Ecu/hl

0.56 Ecu/% vol/hl + 3.5 Ecu/hl

free

2208 90 48

Other

1.12 Ecu/% vol/hl + 7 Ecu/hl

free

0.84 Ecu/% vol/hl + 5.3 Ecu/hl

0.56 Ecu/% vol/hl + 3.5 Ecu/hl

0.56 Ecu/% vol/hl + 3.5 Ecu/hl

free

2208 90 52

Other

Korn

1.3 Ecu/% vol/hl +8.2 Ecu/hl

free

1.0 Ecu/% vol/hl + 6.2 Ecu/hl

0.7 Ecu/% vol/hl + 4.1 Ecu/hl

0.3 Ecu/% vol/hl + 2.1 Ecu/hl

free

2208 90 57

Other

1.3 Ecu/% vol/hl +8.2 Ecu/hl

free

1.0 Ecu/% vol/hl + 6.2 Ecu/hl

0.7 Ecu/% vol/hl + 4.1 Ecu/hl

0.3 Ecu/% vol/hl + 2.1 Ecu/hl

free

2208 90 69

Other spiritous beverages

More than 2 litres

Spirits (excluding Liquerus)

1.3 Ecu/% vol/hl + 8.2 Ecu/hl

free

1.0 Ecu/% vol/hl + 6.2 Ecu/hl

0.7 Ecu/% vol/hl + 4.1 Ecu/hl

0.3 Ecu/% vol/hl + 2.1 Ecu/hl

free

2208 90 71

Distilled from fruit

1.12 Ecu/% vol/hl

free

0.84 Ecu/% vol/hl

0.56 Ecu/% vol/hl

0.28 Ecu/% vol/hl

free

2208 90 74

Other

1.3 Ecu/% vol/hl

free

1.0 Ecu/% vol/hl

0.7 Ecu/% vol/hl

0.3 Ecu/% vol/hl

free

2208 90 78

Other spiritous beverages

1.3 Ecu/% vol/hl

free

1.0 Ecu/% vol/hl

0.7 Ecu/% vol/hl

0.3 Ecu/% vol/hl

free

EC - SPIRITS-SCHEDULE CXL-APPENDIX A

CN 97

Label

Base Rate

Final Bound Rate

IMPLEMENTATION

1997

1998

1999

2000

2001

2002

2003

2208 40

Rum and taffia

2208 40 10

In containers holding 2 litres or less

Ex: Rum with a content of volatile substances other than ethyl and methyl alcohol equal to or exceeding 225 grams per hectolitre of pure alcohol with a 10% tolerance

0.8 Ecu/% vol/hl + 4.1 Ecu/hl

0.6 Ecu/% vol/hl +3.2 ECU/hl

July 1997

0.8

ECU/% vol/hl + 4.1 ECU/hl

July 1998

0.7

ECU/% vol/hl + 3.8 ECU/hl

July 1999

0.65

ECU/% vol/hl + 3.5 ECU/hl

July 2000

0.6

ECU/% vol/hl + 3.2 ECU/hl

Ex other:

Valued over ECU 7.9 per litre of 100% alcohol

0.8

ECU/% vol/hl + 4.1 ECU/hl

Free

July 1997

0.7

ECU/% vol/hl + 3.5 ECU/hl
+3.5 Ecu/hl*

July 1998

0.6

ECU/% vol/hl + 2.9 ECU/hl

July 1999

0.5

ECU/% vol/hl + 2.3 ECU/hl

July 2000

0.4

ECU/% vol/hl + 1.8 ECU/hl

Jan 2001

03

ECU/% vol/hl + 1.2 ECU/hl

Jan 2002

0.2

ECU/% vol/hl + 0.6 ECU/hl

Jan 2003

Free

Other

0.8

ECU/% vol/hl + 4.1 ECU/hl

0.6

ECU/% vol/hl + 3.2 ECU/hl

July 1997

0.8
ECU/% vol/hl +4.1 Ecu/hl

July 1998

0.7
ECU/% vol/hl + 3.8 ECU/hl

July 1999

0.65
ECU/% vol/hl + 3.5 ECU/hl

July 2000

0.6
ECU/% vol/hl + 3.2 ECU/hl

2208 40 90

In containers holding more than 2 litresEx: Rum with a content of volatile substances other than ethyl and methyl alcohol equal to or exceeding 225 grams per hectolitre of pure alcohol with a 10% tolerance

0.8
ECU/% vol/hl

0.6
ECU/% vol/hl

July 1997

0.8
ECU/% vol/hl

July 1998

0.7
ECU/% vol/hl

July 1999

0.65
ECU/% vol/hl

July 2000

0.6
ECU/% vol/hl

Ex Other:

Valued over ECU 2.0 per litre of 100% alcohol

0.8
ECU/% vol/hl

free

July 1997

0.7
ECU/% vol/hl + 3.5 Ecu/hl*

July 1998

0.6
ECU/% vol/hl + 2.9 Ecu/hl

July 1999

0.5
ECU/% vol/hl+ 2.3 Ecu/hl

July 2000

0.4
ECU/% vol/hl
+ 1.8 Ecu/hl

Jan 2001

03
ECU/% vol/hl + 1.2 Ecu/hl

Jan 2002

0.2
ECU/% vol/hl + 0.6 ECU/hl

Jan 2003
Free

Other

0.8
ECU/% vol/hl + 4.1 Ecu/hl

0.6
ECU/% vol/hl
+ 3.2 Ecu/hl

July 1997

0.8
ECU/% vol/hl
+ 4.1 Ecu/hl

July 1998

0.7
ECU/% vol/hl
+ 3.8 Ecu/hl

July 1999

0.65
ECU/% vol/hl
+ 3.5 Ecu/hl

July 2000

0.6
ECU/% vol/hl
+ 3.2 Ecu/hl

2208 40 90

In containers holding more than 2 litre Ex: Rum with a content of volatile substances other than ethyl and methyl alcohol equal to or exceeding 225 grams per hectolitre of pure alcohol with a 10% tolerance

0.8
ECU/% vol/hl

0.6
ECU/% vol/hl

July 1997

0.8
ECU/% vol/hl

July 1998

0.7
ECU/% vol/hl*

July 1999

0.65
ECU/% vol/hl

July 2000

0.6
ECU/% vol/hl

Ex Other:

Valued over ECU 2.0 per litre of 100% alcohol

0.8
ECU/% vol/hl

free

July 1997

0.7
ECU/% vol/hl*

July 1998

0.6
ECU/% vol/hl*

July 1999

0.5
ECU/% vol/hl*

July 2000

0.4
ECU/% vol/hl*

Jan 2001

03
ECU/% vol/hl*

Jan 2002

0.2
Ecu/% vol/hl

Jan 2003
Free

Other

0.8
ECU/% vol/hl

0.6
ECU/% vol/hl

July 1997

0.8
ECU/% vol/hl
+ 4.1 Ecu/hl

July 1998

0.7
ECU/% vol/hl

July 1999

0.65
ECU/% vol/hl

July 2000

0.6
ECU/% vol/hl

Note: In the period 1 July 1997 to 31 December 2002 these concessions shall be limited by the tariff quota amounts indicated below within which rum and taffia in whatever size container can be imported at the duty rates indicated. From 1 January 2003 there will be no tariff quota limitation:

Tariff Quota
Litres of 100% alcohol
Tariff Quota
Litres of 100% alcohol
Tariff Quota
Litres of 100% alcohol

Period:

890,000

1 January 1999 31 December 1999

2,145,000

1 January 2001- 31 December 2001

2,595,450

1 July 1997- 31 December 1997

1 January 1998 - 31 December 1998

1,950,000

1 January 2000 31 December 2000

2,359,500

1 January 2002 31 December 2002

2,854,995

Done at Geneva, {Date October 3, 1997}

For the United States of America

{signature}

For the European Community

{signature}

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