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Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on temporary trade-liberalisation measures applicable to Armenian products

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

• Reasons for and objectives of the proposal

In May and June 2026, Russia introduced and expanded restrictions on a range of Armenian exports, including brandy, wine, mineral water, and agricultural products. At the same time, it introduced obstacles to the transit of certain Armenian goods through the territory of the Russian Federation. This situation is having a substantial negative impact on Armenia's trading opportunities.

Concretely, the measures introduced by Russia have significantly reduced Armenia's access to some of its traditional markets, disrupted established supply chains and created serious obstacles for Armenian exporters and producers. The measures have an adverse impact on Armenia's export opportunities and economic resilience, in particular for small to medium-sized enterprises and agricultural producers that are heavily dependent on exporting the affected products.

The Union has reaffirmed its commitment to strengthening its partnership with Armenia and supporting Armenia's economy. This commitment is fully in line with the Comprehensive and enhanced Partnership Agreement between the European Union and the Republic of Armenia (the 'Partnership Agreement')¹, which aims, among other things, to support the efforts of Armenia to develop its economic potential and establish enhanced trade cooperation with the Union. This proposal is also aligned with the Strategic Agenda for the EU-Armenia Partnership adopted in December 2025, which identifies trade diversification, socio-economic development, connectivity and resilience as crucial priorities.

Prior to this proposal, the Union has already mobilised substantial financial and technical assistance under the Resilience and Growth Plan for Armenia for 2024-2027, amounting to EUR 270 million. This assistance has a strong focus on investment in connectivity, resilience and business development and on supporting Armenia's diversification of exports and the promotion of Armenian products in new markets. In a spirit of solidarity with Armenia in the face of the ongoing external economic pressure, the Commission is preparing a support package including financial assistance worth over EUR 50 million. It is necessary to complement those measures with targeted trade liberalisation in order to provide swift and tangible support to Armenian producers and exporters, improve their access to the Union market, help them reorient trade flows away from constrained routes and markets, and make the Armenian economy more resilient. Therefore, the Commission is proposing a regulation of the European Parliament and of the Council introducing trade-liberalising measures in the form of:

- the temporary suspension of ad valorem duties under the Generalised Scheme of Preferences Plus, excluding certain sensitive products and including certain agricultural goods banned by Russia; and
- the removal of ad valorem duties on eight agricultural products within the limits of applicable tariff rate quotas.

These measures will apply for a period of two years.

¹ Comprehensive and enhanced Partnership Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and the Republic of Armenia, of the other part (OJ L 23, 26.1.2018, p. 4, ELI: http://data.europa.eu/eli/agree_internation/2018/104/oj).

These temporary and exceptional measures will contribute to supporting and strengthening trade flows from Armenia to the Union. This is in line with one of the main objectives of the Partnership Agreement, which is to support the efforts of Armenia to develop its economic potential and to improve trade cooperation between the parties.

The trade-liberalising measures provided for in this proposal are taken in accordance with the commitments set out in Articles 2 and 9 of the Partnership Agreement, which enshrine respect for democratic principles, the rule of law, human rights and fundamental freedoms, and countering the proliferation of weapons of mass destruction as essential elements of that agreement.

Furthermore, the trade-liberalising measures contained in this proposal aim to ensure, in accordance with Article 207(1) of the Treaty on the Functioning of the European Union (TFEU), that the Union's common commercial policy is conducted in the context of the principles and objectives of the Union's external action, which is set out in Article 21 of the Treaty on European Union (TEU).

- **Consistency with existing policy provisions in the policy area**

The proposed trade-liberalising measure would be consistent with the implementation of the Partnership Agreement and its commitment to improve trade cooperation between the Union and Armenia and support Armenia in developing its economic potential.

- **Consistency with other Union policies**

In line with the Strategic Agenda for the EU-Armenia Partnership and the Partnership Agreement, the Union has taken significant steps to support Armenia's resilience, trade and economic diversification in this exceptional context, including through the EUR 270 million Resilience and Growth Plan for 2024-2027, investments under Global Gateway and the Connectivity Partnership, as well as additional financial assistance and trade facilitation measures announced in response to Russia's latest trade restrictions. The Union has also intensified cooperation with Armenia across a broad range of policy areas, including connectivity, business support and reform implementation, with a view to strengthening Armenia's socio-economic resilience and providing alternatives to constrained trade routes and markets.

The proposed regulation therefore complies with, and gives effect to, the Union's obligation under Article 21(3) TEU to ensure consistency between the different areas of its external action, and with Article 207(1) TFEU, which provides that the common commercial policy is to be conducted in the context of the principles and objectives of the Union's external action. In particular, it is consistent with the Union's objective to support partners facing external economic pressure, to promote resilience and sustainable development, and to deepen economic and trade relations with Armenia as set out in the Partnership Agreement and the Strategic Agenda for the EU-Armenia Partnership.

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

- **Legal basis**

The legal basis for the proposal is Article 207(2) TFEU.

- **Subsidiarity (for non-exclusive competence)**

In accordance with Article 3(1), point (e), TFEU, the common commercial policy is an exclusive Union competence. Therefore, the subsidiarity principle does not apply.

- **Proportionality**

This proposal is necessary in order to implement the common commercial policy and to achieve the objective of supporting Armenia in its current difficulties, also in the area of trade with the Union.

- **Choice of the instrument**

This proposal is in accordance with Article 207(2) TFEU, which envisages common commercial policy measures.

3. RESULTS OF *EX POST* EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS

- ***Ex post* evaluations / fitness checks of existing legislation**

Not applicable.

- **Stakeholder consultations**

Not applicable.

- **Collection and use of expertise**

Not applicable.

- **Impact assessment**

In view of the urgent situation in Armenia, it is important for the proposed regulation to enter into force as soon as possible. Therefore, no impact assessment was carried out for the proposed measure.

- **Regulatory fitness and simplification**

The proposed measure does not increase the regulatory burden of companies.

- **Fundamental rights**

The preferential treatment under the proposed measure would be conditioned on respect of the same basic principles as those enshrined in the Partnership Agreement. In particular, Articles 2 and 9 of the Partnership Agreement provide that respect for democratic principles, the rule of law, human rights and fundamental freedoms, and countering the proliferation of weapons of mass destruction are essential elements of that agreement.

The proposed measure would also be in accordance with the European Charter on Fundamental Rights.

4. BUDGETARY IMPLICATIONS

Based on the level of imports from Armenia in 2025, the Union is expected to lose less than EUR 3 million in customs revenue per year.

5. OTHER ELEMENTS

- **Implementation plans and monitoring, evaluation and reporting arrangements**

Online reporting on the development of bilateral trade between the Union and Armenia is available via dedicated websites of the European Commission².

The proposal introduces temporary and exceptional trade-liberalisation measures for products originating in Armenia with the objective of supporting Armenia's trade flows to the Union in response to restrictions and obstacles affecting Armenian exports.

It mainly provides for preferential tariff treatment for selected products, subject to conditions relating to origin, customs procedures, administrative cooperation, and possible suspension or safeguard mechanisms.

The proposal is therefore primarily a short-term trade-policy measure and does not establish a new regulatory framework for digital services, data governance, automated procedures or digital public services.

Its implementation may rely on data and digital tools already used by Member States and the Commission, but it does not impose any new binding requirement to use, develop or adapt such systems.

No new IT system, digital solution or substantial modification of existing systems is required. Any data processing or information exchange would serve only to support the application and monitoring of the temporary trade measures and does not constitute a new data or digital requirement.

Given the limited duration and the absence of new digital requirements, the 'digital by default' principle does not apply.

- **Explanatory documents (for directives)**

Not applicable.

- **Detailed explanation of the specific provisions of the proposal**

In view of the urgency of the restrictions affecting Armenian exports, the measure aims to increase imports from Armenia by partially suspending tariffs and import duties applied to a list of Armenian products.

² https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/armenia_en; https://policy.trade.ec.europa.eu/analysis-and-assessment/statistics_en.

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THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 207(2) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Acting in accordance with the ordinary legislative procedure³,

Whereas:

- (1) The Comprehensive and enhanced Partnership Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and the Republic of Armenia, of the other part⁴ (the ‘Partnership Agreement’) constitutes the basis for the relationship between the Union and Armenia. In accordance with Council Decision (EU) 2018/104⁵, Title VI of the Partnership Agreement, which relates to trade and trade-related matters, has been applied provisionally since 1 June 2018 and entered into force on 1 March 2021, following ratification by all Member States.
- (2) The Partnership Agreement expresses the desire of the Union and Armenia to establish enhanced trade cooperation allowing for sustained regulatory cooperation in relevant areas, in compliance with the rights and obligations arising from World Trade Organization membership. One of the main objectives of the Partnership Agreement is the development of trade. In order to support and accelerate the development of closer economic relations with the Union, it is appropriate to increase the trade flows concerning the import of certain products.
- (3) Since May 2026, the Russian Federation has introduced large-scale trade measures affecting imports of, and transit for, key Armenian export products including alcoholic beverages, mineral water, fruits and vegetables. Those measures have significantly reduced Armenia’s access to its traditional markets and disrupted established supply chains. The situation has an adverse impact on Armenia’s export opportunities, particularly affecting small to medium-sized enterprises and agricultural producers, and risks seriously undermining the country’s economic resilience and social stability.

³ Position of the European Parliament of xx xx 2026 (not yet published in the Official Journal) and decision of the Council of xx xx 2026.

⁴ OJ L 23, 26.1.2018, p. 4, ELI: http://data.europa.eu/eli/agree_internation/2018/104/oj.

⁵ Council Decision (EU) 2018/104 of 20 November 2017 on the signing, on behalf of the Union, and provisional application of the Comprehensive and Enhanced Partnership Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and the Republic of Armenia, of the other part (OJ L 23, 26.1.2018, p. 1, ELI: <http://data.europa.eu/eli/dec/2018/104/oj>).

Under the framework of the Partnership Agreement and the Strategic Agenda for the EU-Armenia Partnership⁶, the Union and Armenia have committed to deepening their economic and trade relations and to supporting trade and economic diversification. Against this background and in a spirit of solidarity with Armenia, it is appropriate to stimulate trade flows and grant concessions in the form of trade-liberalisation measures for selected Armenian products.

- (4) In accordance with Article 21(3) of the Treaty on European Union, the Union is to ensure consistency between the different areas of its external action. Pursuant to Article 207(1) of the Treaty on the Functioning of the European Union, the common commercial policy is to be conducted in the context of the principles and objectives of the Union's external action.
- (5) Therefore, trade-liberalising measures should be introduced in the form of the temporary suspension of ad valorem duties according to the Generalised Scheme of Preferences Plus schedule with some adaptations such as the removal of certain sensitive products and including certain agricultural goods banned by Russia, and the removal of ad valorem duties on eight agricultural products within the limits of applicable tariff rate quotas.
- (6) In order to prevent fraud, the preferential arrangements established by this Regulation should be conditional upon Armenia complying with: all the relevant conditions set out in this Regulation and in the Partnership Agreement; the rules of origin applicable to the products concerned and the procedures related thereto; and Armenia's involvement in close administrative cooperation with the Union, as provided for in Commission Delegated Regulation (EU) 2015/2446⁷ and the Implementing Regulation (EU) 2015/2447⁸.
- (7) Armenia should abstain from: introducing new duties or charges having equivalent effect, or new quantitative restrictions or measures having equivalent effect; increasing existing levels of duties or charges; or introducing any other restrictions on trade with the Union. If Armenia fails to comply with any of those conditions, the Commission should be empowered to temporarily suspend all or part of the preferential arrangements established by this Regulation.
- (8) Articles 2 and 9 of the Partnership Agreement establish respect for democratic principles, the rule of law, human rights and fundamental freedoms, and countering the proliferation of weapons of mass destruction as essential elements of that agreement. It is appropriate to provide for the possibility of temporarily suspending the preferential arrangements established by this Regulation if Armenia fails to comply with any of the provisions identified as essential elements in the Partnership Agreement.
- (9) Subject to an assessment by the Commission carried out in the context of the regular monitoring of the impact of this Regulation and launched either following a duly

⁶ [European Union and Armenia adopt new Strategic Agenda to deepen partnership - Enlargement and Eastern Neighbourhood](#).

⁷ Commission Delegated Regulation (EU) 2015/2446 of 28 July 2015 supplementing Regulation (EU) No 952/2013 of the European Parliament and of the Council as regards detailed rules concerning certain provisions of the Union Customs Code (OJ L 343, 29.12.2015, p. 1, ELI: http://data.europa.eu/eli/reg_del/2015/2446/oj).

⁸ Commission Implementing Regulation (EU) 2015/2447 of 24 November 2015 laying down detailed rules for implementing certain provisions of Regulation (EU) No 952/2013 of the European Parliament and of the Council laying down the Union Customs Code (OJ L 343, 29.12.2015, pp. 558–893).

substantiated request from a Member State or on the Commission's own initiative, it is necessary to provide for the possibility to take any necessary measures for imports of any products falling under the scope of this Regulation which are adversely affecting the Union market or the market of one or several Member States for like or directly competing products.

- (10) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission to temporarily suspend the preferential arrangements referred to in recital 5 and to introduce corrective measures where Union producers of like or directly competing products are, or may be, seriously affected by imports under this Regulation. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council⁹. It is necessary to provide for the possibility of reintroducing, subject to an investigation by the Commission, customs duties on imports of any products falling within the scope of this Regulation that cause, or threaten to cause, serious difficulties to Union producers of like or directly competing products.
- (11) In light of the urgent situation in Armenia, this Regulation should enter into force on the day following that of its publication in the *Official Journal of the European Union* for a period of two years,

HAVE ADOPTED THIS REGULATION:

Article 1

Trade-liberalisation measures

The following preferential arrangements are introduced:

- (a) the products originating in Armenia listed in Annex I shall be admitted for import into the Union exempted from ad valorem import duties;
- (b) the products originating in Armenia listed in Annex II shall be admitted for import into the Union exempted from ad valorem import duties within the limits of Union tariff rate quotas as set out in that Annex.

The tariff rate quotas referred to in the first paragraph, point (b), shall be administered by the Commission in accordance with Articles 49 to 54 of Commission Implementing Regulation (EU) 2015/2447.

Article 2

Conditions for entitlement to the preferential arrangements

The preferential arrangements provided in Article 1 shall be subject to the following conditions:

- (a) compliance by Armenia with the rules of origin provided for in Articles 59 to 70 of Delegated Regulation (EU) 2015/2446 and Articles 113 to 126 of Implementing Regulation (EU) 2015/2447.

⁹ Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13, ELI: <http://data.europa.eu/eli/reg/2011/182/oj>).

Without prejudice to Article 119(1) of Implementing Regulation (EU) 2015/2447, an invoice declaration may also be made out by an Armenian exporter registered in the Union's Registered Exporter (REX) system in accordance with the relevant provisions of Articles 70, 71, 72, 86, 89 and 91 of Implementing Regulation (EU) 2015/2447;

- (b) Armenia's engagement in effective administrative cooperation with the Union, including as required for the verification of evidence of origin, in order to prevent any risk of fraud;
- (c) Armenia's abstention from introducing new duties or charges having equivalent effect or new quantitative restrictions or measures having equivalent effect on imports originating in the Union, from increasing existing levels of duties or charges, and from introducing any other restrictions on trade with the Union, including discriminatory internal administrative measures, unless duly justified and notified to the Commission; and
- (d) Armenia's respect for democratic principles, the rule of law, human rights and fundamental freedoms, and countering the proliferation of weapons of mass destruction, provided for in Articles 2 and 9 of the Partnership Agreement.

Article 3

Temporary suspension

1. Where the Commission finds that there is sufficient evidence of Armenia's failure to comply with the conditions set out in Article 2, it may, by means of an implementing act, suspend in whole or in part the preferential arrangements provided for in Article 1. That implementing act shall be adopted in accordance with the examination procedure referred to in Article 5(3).
2. Where a Member State requests that the Commission suspend any of the preferential arrangements on the basis of Armenia's failure to comply with the conditions set out in Article 2, point (c), the Commission shall provide, within four months of the request, a reasoned opinion on whether the claim that Armenia has failed to comply is substantiated. If the Commission concludes that the claim is substantiated, it shall initiate the procedure referred to in paragraph 1.

Article 4

Safeguard measures

1. Where a product covered by Article 1 originating in Armenia is imported under conditions that adversely affect the Union market or the market of one or several Member States for like or directly competing products, the Commission may impose, by means of an implementing act, any measure that is necessary. That implementing act shall be adopted in accordance with the examination procedure referred to in Article 5(3).

These measure may be imposed for as long as necessary to counteract the adverse effects on the Union market or on the market of one or several Member States for like or directly competing products.
2. The Commission shall carry out an assessment of the situation of the Union market or the market of one or several Member States for like or directly competing

products with a view to imposing measures in accordance with paragraph 1. That assessment shall be initiated:

- (a) following a duly substantiated request from a Member State including sufficient prima facie evidence reasonably available to that Member State pursuant to paragraph 3 of imports adversely affecting the market referred to in paragraph 1; or
- (b) on its own initiative, after it has become apparent to the Commission that there is sufficient prima facie evidence of imports adversely affecting the market referred to in paragraph 1.

The assessment referred to in the first subparagraph shall be concluded within four months of its launch.

3. In carrying out the assessment pursuant to paragraph 2, the Commission shall take into consideration all relevant market developments, including the impact of the imports concerned on the situation of the Union market or the market of one or several Member States for like or directly competing products. That assessment shall include the following factors:

- (a) the rate and amount of the increase in imports from Armenia of the product concerned in absolute and relative terms;
- (b) the effect of the imports concerned on production and prices in the Union market or the market of one or several Member States, while taking into consideration the development of imports from other sources.

The list of factors referred to in the first subparagraph is not exhaustive and other relevant factors may also be taken into consideration.

4. In critical circumstances where delay would cause damage to the relevant market that would be difficult to repair, the Commission may provisionally impose, by means of an implementing act, any measure that is necessary. Such safeguard measure may be imposed only after a duly substantiated request from a Member State pursuant to paragraph 2, first subparagraph, point (a), and shall be adopted within 21 days of receipt of that request. That implementing act shall be adopted in accordance with the advisory procedure referred to in Article 5(4). The duration of a provisional safeguard measure shall not exceed 120 days.
5. Where, as a result of the assessment referred to in paragraph 2, the Commission considers that the Union market or the market of one or several Member States for like or directly competing products has been adversely affected and intends to impose a definitive measure pursuant to paragraph 1, it shall publish a notice in the *Official Journal of the European Union* announcing of its intention to impose such a measure. That notice shall provide a summary of the main results of the assessment and specify the period within which interested parties may submit their views in writing. That period shall not exceed 10 days from the date of publication of the notice.

Article 5

Committee procedure

1. The Commission shall be assisted by the Customs Code Committee established by Article 285(1) of Regulation (EU) No 952/2013 of the European Parliament and of

the Council¹⁰ with regard to Article 3(1) of this Regulation. That Committee shall be a committee within the meaning of Regulation (EU) No 182/2011.

2. The Commission shall be assisted by the Committee on Safeguards with regard to Article 4(1) of this Regulation. That Committee shall be a committee within the meaning of Regulation (EU) No 182/2011.
3. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.
4. Where reference is made to this paragraph, Article 4 of Regulation (EU) No 182/2011 shall apply.

Article 6

Assessment of the implementation of the trade-liberalising measures

The parties will report on the implementation of the trade-liberalisation measures established by this Regulation in the Partnership Committee in trade configuration set up under the Partnership Agreement.

Article 7

Entry into force and application

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

This Regulation shall apply for two years from entry into force.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the European Parliament
The President

For the Council
The President

¹⁰ Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code (recast) (OJ L 269, pp. 1–101, ELI: <http://data.europa.eu/eli/reg/2013/952/oj>).

**LEGISLATIVE FINANCIAL STATEMENT 'REVENUE' - FOR PROPOSALS
HAVING BUDGETARY IMPACT ON THE REVENUE SIDE OF THE BUDGET**

1. NAME OF THE PROPOSAL

Proposal for a Regulation of the European Parliament and of the Council on temporary trade-liberalisation measures applicable to Armenian products

2. BUDGET LINES

Revenue line (Chapter/Article/Item): Chapter 12, Article 120

Amount budgeted for the year concerned: (2026) EUR 21 368 300 000

3. FINANCIAL IMPACT

☐ Proposal has no financial implications

☒ Proposal has no financial impact on expenditure but has a financial impact on revenue

☐ Proposal has a financial impact on assigned revenue

The effect is as follows:

(EUR million to one decimal place)

Revenue line	Impact on revenue ¹¹¹²	24-month period starting on 1.1.2027 (if applicable)
Chapter 12, Article 120	Impact on own resources	-5.4

Situation following action					
Revenue line	2027	2028	2029	2030	2031
Chapter 12, Article 120	-2.475	-2.97	-	-	-

4. ANTI-FRAUD MEASURES

In order to prevent fraud, the entitlement to the trade measures established by the proposed regulation should be conditional upon Armenia complying with all the relevant conditions for obtaining benefits under the regulation, including the rules of origin applicable to the products concerned and the procedures related thereto, as well as upon Armenia's involvement in close administrative cooperation with the Union.

5. OTHER REMARKS

¹¹ The amounts per year need to be an estimation based on the formula or method defined under Section 5. For the starting year, the yearly amount is normally paid without a reduction or prorate.

¹² In the case of traditional own resources (customs duties, sugar levies), the amounts indicated must be net amounts, i.e. gross amounts after deduction of 25 % for collection costs until 2027 included, and of 10 % afterwards, as proposed in COM(2025) 574.

The calculations are based on 2025 import volumes of the products covered by the proposed regulation. 2025 was the last year before autonomous trade measures were introduced.

Based on the above calculations, the loss of traditional own resources revenue resulting from the proposed regulation is estimated at EUR 3.3 million (gross amount, including collection costs) $\times 0.75 =$ EUR 2.475 million for 2027, and EUR 3.3 million (gross amount, including collection costs) $\times 0.9 =$ EUR 2.97 million for 2028. The net total for the two-year period covered by the measure amounts to EUR 5.44 million¹³.

¹³ The impact on revenues in 2026 is disregarded because of its limited magnitude.