

Draft

PROTOCOL TO THE AGREEMENT BETWEEN
THE EUROPEAN COMMUNITY AND ITS MEMBER STATES, OF THE ONE PART,
AND THE SWISS CONFEDERATION, OF THE OTHER,
ON THE FREE MOVEMENT OF PERSONS REGARDING THE PARTICIPATION AS
CONTRACTING PARTIES OF THE REPUBLIC OF BULGARIA AND ROMANIA
PURSUANT TO THEIR ACCESSION TO THE EUROPEAN UNION

[ALTERNATIVE VERSION OF 30/01/2008]

PROTOCOL TO THE AGREEMENT BETWEEN THE EUROPEAN COMMUNITY
AND ITS MEMBER STATES, OF THE ONE PART, AND THE SWISS
CONFEDERATION, OF THE OTHER, ON THE FREE MOVEMENT OF PERSONS
REGARDING THE PARTICIPATION AS CONTRACTING PARTIES OF THE
REPUBLIC OF BULGARIA AND ROMANIA PURSUANT TO THEIR ACCESSION
TO THE EUROPEAN UNION

THE EUROPEAN COMMUNITY,

represented by the Council of the European Union,

and

THE KINGDOM OF BELGIUM, THE REPUBLIC OF BULGARIA, THE CZECH
REPUBLIC, THE KINGDOM OF DENMARK, THE FEDERAL REPUBLIC OF
GERMANY, THE REPUBLIC OF ESTONIA, THE HELLENIC REPUBLIC, THE
KINGDOM OF SPAIN, THE FRENCH REPUBLIC, IRELAND, THE ITALIAN
REPUBLIC, THE REPUBLIC OF CYPRUS, THE REPUBLIC OF LATVIA, THE
REPUBLIC OF LITHUANIA, THE GRAND DUCHY OF LUXEMBOURG, THE
REPUBLIC OF HUNGARY, THE REPUBLIC OF MALTA, THE KINGDOM OF
THE NETHERLANDS, THE REPUBLIC OF AUSTRIA, THE REPUBLIC OF
POLAND, THE PORTUGUESE REPUBLIC, ROMANIA, THE REPUBLIC OF
SLOVENIA, THE SLOVAK REPUBLIC, THE REPUBLIC OF FINLAND, THE
KINGDOM OF SWEDEN AND THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND,

hereinafter referred to as "the Member States",

also represented by the Council of the European Union,

of the one part,

and

THE SWISS CONFEDERATION,

hereinafter referred to as "Switzerland",

of the other part,

hereinafter referred to as "the Contracting Parties",

HAVING REGARD TO the Agreement of 21 June 1999 between the European Community and its Member States, of the one part, and the Swiss Confederation, of the other, on the free movement of persons (hereinafter referred to as “the Agreement”), which entered into force on 1 June 2002;

HAVING REGARD TO the Protocol of 26 October 2004 to the Agreement of 21 June 1999 between the European Community and its Member States, of the one part, and the Swiss Confederation, of the other, on the free movement of persons regarding the participation, as contracting parties, of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Poland, the Republic of Slovenia, and the Slovak Republic pursuant to their accession to the European Union (hereinafter referred to as “the Protocol of 2004”), which entered into force on 1 April 2006;

HAVING REGARD TO the accession of the Republic of Bulgaria and Romania (hereinafter referred to as “the new Member States”) to the European Union on 1 January 2007;

WHEREAS the new Member States are to become Contracting Parties to the Agreement;

CONSIDERING that the Act of Accession grants to the Council of the European Union the power to conclude on behalf of the Member States of the European Union a protocol on the accession of the new Member States to the Agreement;

HAVE AGREED AS FOLLOWS:

Article 1

1. The new Member States hereby become Contracting Parties to the Agreement.
2. From the entry into force of this Protocol, the provisions of the Agreement shall be binding on the new Member States as on the present Contracting Parties of the Agreement under the terms and conditions laid down in this Protocol.

Article 2

In the main body of the Agreement and in Annex I thereto the following adaptations shall be made:

- a) The list of Contracting Parties of the Agreement shall be replaced by the following:

‘THE EUROPEAN COMMUNITY,

THE KINGDOM OF BELGIUM,

THE REPUBLIC OF BULGARIA,

THE CZECH REPUBLIC,

THE KINGDOM OF DENMARK,
THE FEDERAL REPUBLIC OF GERMANY,
THE REPUBLIC OF ESTONIA,
THE HELLENIC REPUBLIC,
THE KINGDOM OF SPAIN,
THE FRENCH REPUBLIC,
IRELAND,
THE ITALIAN REPUBLIC,
THE REPUBLIC OF CYPRUS,
THE REPUBLIC OF LATVIA,
THE REPUBLIC OF LITHUANIA,
THE GRAND DUCHY OF LUXEMBOURG,
THE REPUBLIC OF HUNGARY,
THE REPUBLIC OF MALTA,
THE KINGDOM OF THE NETHERLANDS,
THE REPUBLIC OF AUSTRIA,
THE REPUBLIC OF POLAND,
THE PORTUGUESE REPUBLIC,
ROMANIA,
THE REPUBLIC OF SLOVENIA,
THE SLOVAK REPUBLIC,
THE REPUBLIC OF FINLAND,
THE KINGDOM OF SWEDEN,
THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN
IRELAND,

OF THE ONE PART,

AND

THE SWISS CONFEDERATION,

OF THE OTHER PART,'

- b) In Article 10 of the Agreement, the following paragraphs 1b, 2b, 3b, 4c and 5b shall be inserted at the end of the corresponding paragraphs 1a, 2a, 3a, 4b and 5a respectively:

‘1b. Switzerland may maintain until two years after the entry into force of the Protocol to this Agreement regarding the participation, as Contracting Parties, of the Republic of Bulgaria and Romania quantitative limits in respect of access by workers employed in Switzerland and for self-employed persons who are nationals of the Republic of Bulgaria and Romania for the following two categories of residence: residence for a period of more than four months and less than one year and residence for a period equal to, or exceeding, one year. There shall be no quantitative restriction on residence for less than four months.

Before the end of the transitional period mentioned above, the Joint Committee shall review the functioning of the transitional period applied to nationals of the new Member States on the basis of a report from Switzerland. Upon completion of the review, and no later than at the end of the period mentioned above, Switzerland shall notify the Joint Committee whether it will continue applying quantitative limits to workers employed in Switzerland. Switzerland may continue to apply such measures until five years after the entry into force of the aforementioned Protocol. In the absence of such notification, the transitional period shall expire at the end of the two-year period specified in the first sub-paragraph.

At the end of the transitional period defined in this paragraph, all quantitative limits applicable to nationals of the Republic of Bulgaria and Romania shall be abolished. These Member States are entitled to introduce the same quantitative limitations for Swiss nationals for the same periods.’

‘2b. Switzerland and the Republic of Bulgaria and Romania may maintain, until two years after the entry into force of the Protocol to this Agreement regarding the participation, as Contracting Parties, of the Republic of Bulgaria and Romania, for workers of one of these Contracting Parties employed in their own territory the controls on the priority of workers integrated into the regular labour market and wage and working conditions applicable to nationals of the other Contracting Party concerned. The same controls may be maintained for persons providing services, as referred to in Article 5 (1) of this Agreement, in the following four sectors: Horticultural service activities; Construction, including related branches; Security activities; Industrial cleaning (NACE¹ codes 01.41; 45.1 to 4; 74.60; 74.70 respectively). Switzerland shall, during the transitional periods mentioned in paragraphs 1b, 2b, 3b and 4c, give preference to workers who are nationals of the new Member States over workers who are nationals of non-EU and non-EFTA countries as regards access to its labour market. The controls on the priority of workers integrated into the regular labour market shall

¹ NACE: Council Regulation (EEC) No 3037/90 of 9 October 1990 on the statistical classification of economic activities in the European Community (OJ L 293, 24.10.1990, p.1), as last amended by Regulation (EC) No 1882/2003 of the European Parliament and the Council of 29 September 2003 (OJ L 284, 31.10.2003, p.1).

not apply to providers of services liberalised by a specific agreement between the Contracting Parties concerning the provision of services (including the Agreement on certain aspects of government procurement in so far as it covers the provision of services). For the same period, qualification requirements may be maintained for residence permits of less than four months² and to persons providing services, as referred to in Article 5 (1) of this Agreement, in the four sectors mentioned above.

Within two years of the entry into force of the Protocol to this Agreement regarding the participation, as Contracting Parties, of the Republic of Bulgaria and Romania, the Joint Committee shall review the functioning of the transitional measures contained in this paragraph on the basis of a report prepared by each of the Contracting Parties implementing them. Upon completion of the review, and no later than two years after the entry into force of the aforementioned Protocol, the Contracting Party which has implemented the transitional measures contained in this paragraph, and has notified the Joint Committee of its intention to continue applying such transitional measures, may continue to do so until five years after the entry into force of the aforementioned Protocol. In the absence of such notification, the transitional period will expire at the end of the two-year period specified in the first subparagraph.

At the end of the transitional period defined in this paragraph, all restrictions referred to above in this paragraph shall be abolished.'

'3b. Upon entry into force of the Protocol to this Agreement regarding the participation, as Contracting Parties, of the Republic of Bulgaria and Romania and until the end of the period described in paragraph 1b, Switzerland shall reserve on an yearly basis (*pro rata temporis*), within its overall quota for third countries, for workers employed in Switzerland and for self-employed persons who are nationals of these new Member States a minimum number of new residence permits³ according to the following schedule:

<u>Until</u>	<u>Number of permits for a period equal or exceeding one year</u>	<u>Number of permits for a period of more than four months and less than one year</u>
First year	362	3 620
Second year	523	4 987
Third year	684	6 355
Fourth year	885	7 722
Fifth year	1 046	9 090'

'4c. At the end of the period described in paragraph 1b and in this paragraph and up to ten years after entry into force of the Protocol to this Agreement regarding the participation, as Contracting Parties, of the Republic of Bulgaria and Romania, the provisions of Article 10 (4) of this Agreement shall apply to nationals of these new Member States.

² Workers may apply for short-term residence permits under the quotas mentioned in subparagraph 3b even for a period of less than four months.

³ These permits will be granted in addition to the quota mentioned in Article 10 of this Agreement which are reserved for employed and self-employed persons who are nationals of the Member States at the time of signature of this Agreement (21 June 1999) and of the Member States that became Signatory Parties of this Agreement by the Protocol of 2004. These permits are also in addition to permits granted through existing bilateral trainee exchange agreements between Switzerland and the new Member States.

In case of serious disturbances of its labour market or threat thereof, Switzerland and any of the new Member States which has implemented transitional measures, shall notify such circumstances to the Joint Committee before the end of the five-year transitional period specified in paragraph 2b, subparagraph 2. In this case, the notifying country may continue to apply to workers employed on its own territory, the measures described in paragraphs 1b, 2b and 3b until seven years after the entry into force of the aforementioned Protocol. In such a case, the annual number of residence permits referred to in paragraph 1b shall be:

<u>Until</u>	<u>Number of permits for a period equal or exceeding one year</u>	<u>Number of permits for a period of more than four months and less than one year</u>
Sixth year	1 126	10 457
Seventh year	1 207	11 664'

‘5b. The transitional provisions of paragraphs 1b, 2b, 3b and 4c, and in particular those of paragraph 2b concerning the priority of workers integrated into the regular labour market and controls on wage and working conditions, shall not apply to employed and self-employed persons who, at the time of the entry into force of the Protocol to this Agreement regarding the participation, as Contracting Parties, of the Republic of Bulgaria and Romania, are authorised to pursue an economic activity on the territory of the Contracting Parties. Such persons shall in particular enjoy occupational and geographical mobility.

The holders of residence permits valid for less than one year shall be entitled to have their permits renewed; the exhaustion of quantitative limits may not be invoked against them. The holders of residence permits valid for a period equal to, or exceeding, one year shall automatically be entitled to have their permits extended. Such employed and self-employed persons shall therefore enjoy the rights to free movement accorded to established persons in the basic provisions of this Agreement, and in particular Article 7 thereof, from the entry into force of the above mentioned Protocol.’

- c) In Article 27 (2) of Annex I of the Agreement, the reference to ‘Article 10 (2, 2a, 4a and 4b)’ shall be replaced by the reference to ‘Article 10 (2, 2a, 2b, 4a, 4b and 4c)’.

Article 3

By derogation from Article 25 of Annex I of the Agreement, the transitional periods of Annex 1 to this Protocol shall apply.

Article 4

1. Annex II of the Agreement shall be modified according to Annex 2 of this Protocol.
2. Annex III of the Agreement shall be adapted by decision of the Joint Committee established by Article 14 of the Agreement.

Article 5

1. Annexes 1 and 2 to this Protocol shall form an integral part thereof.
2. This Protocol, together with the Protocol of 2004, shall form an integral part of the Agreement.

Article 6

1. This Protocol shall be ratified or approved by the Council of the European Union, on behalf of the Member States and the European Community, and by the Swiss Confederation in accordance with their own procedures.
2. The Council of the European Union and the Swiss Confederation shall notify each other of the accomplishment of these procedures.

Article 7

This Protocol shall enter into force on the first day of the first month following the date of the last notification of approval.

Article 8

This Protocol shall remain in force for the same duration and according to the same modalities as the Agreement.

Article 9

1. This Protocol, as well as the Declarations annexed thereto, shall be drawn up in duplicate in the Bulgarian, Czech, Danish, Dutch, English, Estonian, Finnish, French, German, Greek, Hungarian, Italian, Latvian, Lithuanian, Maltese, Polish, Portuguese, Romanian, Slovak, Slovenian, Spanish and Swedish languages, each of those texts being equally authentic.
2. The Bulgarian and Romanian language versions of the Agreement, including all Annexes, Protocols and the Final Act shall be equally authentic. The Joint Committee established by Article 14 of the Agreement shall approve the authentic texts of the Agreement in the new languages.

Done at ... on the day ... ofin the year two thousand and eight.

For the Council of the European Union

For the Swiss Confederation

ANNEX 1

Transitional Measures on the Purchase of Land and Secondary Residence

1. The Republic of Bulgaria

The Republic of Bulgaria may maintain in force for five years from the date of entry into force of this Protocol the restrictions laid down in its legislation, existing at the time of signature of this Protocol, on the acquisition of ownership over land for secondary residences by Swiss nationals non-resident in Bulgaria and by legal persons formed in accordance with the laws of Switzerland.

Swiss nationals who are legally resident in Bulgaria shall not be subject to the provisions of the preceding subparagraph or to any rules and procedures other than those to which nationals of Bulgaria are subject.

The Republic of Bulgaria may maintain in force for seven years from the date of entry into force of this Protocol the restrictions laid down in its legislation, existing at the time of signature of this Protocol, on the acquisition of agricultural land, forests and forestry land by Swiss nationals and by legal persons formed in accordance with the laws of Switzerland. In no instance may a Swiss national be treated less favourably in respect of the acquisition of agricultural land, forests and forestry land than at the date of signature of this Protocol or be treated in a more restrictive way than a national of a third country.

Self-employed farmers who are Swiss nationals and who wish to establish themselves and reside in the Republic of Bulgaria shall not be subject to the provisions of the preceding subparagraph or to any procedures other than those to which nationals of the Republic of Bulgaria are subject.

A general review of these transitional measures shall be held in the third year following the date of the entry into force of this Protocol. The Joint Committee may decide to shorten or terminate the transitional period indicated in the first subparagraph.

2. Romania

Romania may maintain in force for five years from the date of the entry into force of this Protocol the restrictions laid down in its legislation, existing at the time of signature of this Protocol, on the acquisition of ownership over land for secondary residences by Swiss nationals non-resident in Romania and by companies formed in accordance with the laws of Switzerland and being neither established nor having a branch or a representative agency in the territory of Romania.

Swiss nationals who are legally resident in Romania shall not be subject to the provisions of the preceding subparagraph or to any rules and procedures other than those to which nationals of Romania are subject.

Romania may maintain in force for seven years from the date of the entry into force of this Protocol the restrictions laid down in its legislation, existing at the time of signature of this Protocol, on the acquisition of agricultural land, forests and forestry land by Swiss nationals and by companies formed in accordance with the laws of Switzerland which are neither established nor registered in Romania. In no instance may a Swiss national be treated less favourably in respect of the acquisition of agricultural land, forests and forestry land than at the date of signature of this Protocol or be treated in a more restrictive way than a national of a third country.

Self-employed farmers who are Swiss nationals and who wish to establish themselves and reside in Romania shall not be subject to the provisions of the preceding subparagraph or to any procedures other than those to which nationals of Romania are subject.

A general review of these transitional measures shall be held in the third year following the date of the entry into force of this Protocol. The Joint Committee may decide to shorten or terminate the transitional period indicated in the first subparagraph.

ANNEX 2

Annex II to the Agreement between the European Community and its Member States, of the one part, and the Swiss Confederation, of the other, on the free movement of persons is hereby amended as follows:

1. Under the heading 'For the purposes of this Agreement, the Regulation shall be adapted as follows:', point 1 of Section A of Annex II to the Agreement shall be amended as follows:
 - (a) under (i), concerning Annex III, Part A, the following shall be added after the last entry 'Slovakia – Switzerland':
'Bulgaria – Switzerland
None.
Romania – Switzerland
No convention.'
 - (b) under (j), concerning Annex III, Part B, the following shall be added after the last entry 'Slovakia – Switzerland':
'Bulgaria – Switzerland
None.
Romania – Switzerland
No convention.'
2. The following shall be inserted under the Title 'Section A: Acts referred to' under point 1. 'Regulation (EEC) No 1408/71' after '304 R 631': Regulation (EC) No 631/2004...':

'Section 2 (Freedom of Movement of Persons – Social Security) of Council Regulation (EC) No 1791/2006 of 20 November 2006 adapting certain Regulations and Decisions in the fields of free movement of goods, freedom of movement of persons, company law, competition policy, agriculture (including veterinary and phytosanitary legislation), transport policy, taxation, statistics, energy, environment, cooperation in the fields of justice and home affairs, customs union, external relations, common foreign and security policy and institutions, by reason of the accession of Bulgaria and Romania, insofar as its provisions concern Community acts referred to in annex II of this Agreement.'
3. The following shall be inserted under the Title 'Section A: Acts referred to' under point 2. 'Regulation (EEC) No 574/72' after '304 R 631': Regulation (EC) No 631/2004...':

'Section 2 (Freedom of Movement of Persons – Social Security) of Council Regulation (EC) No 1791/2006 of 20 November 2006 adapting certain Regulations and Decisions in the fields of free movement of goods, freedom of movement of persons, company law, competition policy, agriculture (including veterinary and phytosanitary legislation), transport policy, taxation, statistics, energy, environment, cooperation in the fields of justice and home affairs, customs union, external relations, common foreign and security policy and institutions, by reason of the accession of Bulgaria and

Romania, insofar as its provisions concern Community acts referred to in annex II of this Agreement.'

4. The following shall be inserted under the Title 'Section B: Acts of which the contracting parties shall take due account' under the points '4.18. 383 D 0117: Decision No 117 ...', '4.27. 388 D 64: Decision No 136 ...', '4.37. 393 D 825: Decision No 150 ...', after '12003 TN 02/02 A: Act concerning the conditions of accession of the Czech Republic, the Republic of Estonia,...', and under the point '4.77: Decision No 192 ...' :

'Section 2 (Freedom of Movement of Persons – Social Security) of Council Regulation (EC) No 1791/2006 of 20 November 2006 adapting certain Regulations and Decisions in the fields of free movement of goods, freedom of movement of persons, company law, competition policy, agriculture (including veterinary and phytosanitary legislation), transport policy, taxation, statistics, energy, environment, cooperation in the fields of justice and home affairs, customs union, external relations, common foreign and security policy and institutions, by reason of the accession of Bulgaria and Romania, insofar as its provisions concern Community acts referred to in annex II of this Agreement.'

5. For workers who are nationals of the Republic of Bulgaria and Romania, the arrangements contained in paragraph 1 of the section **Unemployment Insurance** of the Protocol to Annex II shall apply until the end of the seventh year after the entry into force of this Protocol.

JOINT DECLARATION

on the Adaptation of Annex III to the Agreement

The Contracting Parties declare that, with a view to ensuring a smooth implementation of the Agreement, Annex III thereto shall be adapted as soon as possible in order to integrate, among others, Directive 2005/36/EC as amended by Directive 2006/100/EC and new Swiss entries.

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DECLARATION

by Switzerland on Autonomous Measures as of the Date of Signature

Switzerland will provide provisional access to its labour market for citizens of the new Member States, based on its national legislation, before the entry into force of the transitional arrangements contained in this Protocol. For this purpose, Switzerland will open specific quotas for short term as well as long term working permits, as defined in Article 10(1) of the Agreement, in favour of citizens from the new Member States, as of the date of signature of this Protocol. The quotas will be 282 long term permits and 1 006 short term permits per year. In addition, 2 011 short-term workers per year will be admitted for a stay of less than 4 months.