

- (3) OJ L 28, 3.2.2000, p. 1.
- (4) OJ L 117, 18.5.2000, p. 1.
- (5) OJ L 333, 29.12.2000, p. 84.
- (6) OJ L 6, 10.1.1997, p. 25.
- (7) OJ L 64, 12.3.1999, p. 1.
- (8) OJ L 64, 12.3.1999, p. 20.
- (9) OJ L 64, 12.3.1999, p. 40.
- (10) OJ L 64, 12.3.1999, p. 58.
- (11) OJ L 64, 12.3.1999, p. 78.
- (12) OJ L 64, 12.3.1999, p. 91.
- (13) OJ L 64, 12.3.1999, p. 105.
- (14) OJ L 63, 10.3.2000, p. 1.
- (15) OJ L 144, 26.5.1992, p. 19.

ANNEX III

CONCERNING THE DEFINITION OF THE CONCEPT OF "ORIGINATING PRODUCTS" AND METHODS OF ADMINISTRATIVE COOPERATION

INDEX

>TABLE POSITION<

TITLE I

GENERAL PROVISIONS

Article 1

Definitions

For the purposes of this Annex:

- (a) "manufacture" means any kind of working or processing including assembly or specific operations;
- (b) "material" means any ingredient, raw material, component or part, etc., used in the manufacture of the product;
- (c) "product" means the product being manufactured, even if it is intended for later use in another manufacturing operation;
- (d) "goods" means both materials and products;
- (e) "customs value" means the value as determined in accordance with the 1994 Agreement on implementation of Article VII of the General Agreement on Tariffs and Trade (WTO Agreement on customs valuation);
- (f) "ex-works price" means the price paid for the product ex works to the manufacturer in whose undertaking the last working or processing is carried out, provided the price includes the value of all the materials used, minus any internal taxes which are, or may be, repaid when the product obtained is exported;
- (g) "value of materials" means the customs value at the time of importation of the non-originating materials used, or, if this is not known and cannot be ascertained, the first ascertainable price paid for the materials in the territory concerned;
- (h) "value of originating materials" means the value of such materials as defined in subparagraph (g) applied mutatis mutandis;
- (i) "value added" shall be taken to be the ex-works price minus the customs value of third-country materials imported into the Community, the ACP States or the OCT;
- (j) "chapters" and "headings" mean the chapters and the headings (four-digit codes) used in the nomenclature which makes up the Harmonised Commodity Description and Coding System, referred to in this Annex as "the Harmonised System" or "HS";
- (k) "classified" refers to the classification of a product or material under a particular heading;

(l) "consignment" means products which are either sent simultaneously from one exporter to one consignee or covered by a single transport document covering their shipment from the exporter to the consignee or, in the absence of such a document, by a single invoice;

(m) "territories" includes territorial waters.

TITLE II

DEFINITION OF THE CONCEPT OF "ORIGINATING PRODUCTS"

Article 2

General requirements

1. For the purpose of implementing the trade cooperation provisions of the Decision, the following products shall be considered as originating in the OCT:

- (a) products wholly obtained in the OCT within the meaning of Article 3 of this Annex;
- (b) products obtained in the OCT incorporating materials which have not been wholly obtained there, provided that such materials have undergone sufficient working or processing in the OCT within the meaning of Article 4 of this Annex.

2. For the purpose of implementing paragraph 1, the territories of the OCT shall be considered as being one territory.

3. Originating products made up of materials wholly obtained or sufficiently worked or processed in two or more OCT shall be considered as products originating in the OCT where the last working or processing took place, provided this working or processing goes beyond that referred to in Article 5 of this Annex.

Article 3

Wholly obtained products

1. The following shall be considered as wholly obtained, in the OCT, in the Community, or in the ACP States:

- (a) mineral products extracted from their soil or from their seabed;
- (b) vegetable products harvested there;
- (c) live animals born and raised there;
- (d) products from live animals raised there;
- (e) products obtained by hunting or fishing conducted there;
- (f) products of sea fishing and other products taken from the sea outside the territorial waters by their vessels;
- (g) products made aboard their factory ships exclusively from products referred to in subparagraph (f);
- (h) used articles collected there fit only for the recovery of raw materials, including used tyres fit only for retreading or for use as waste;
- (i) waste and scrap resulting from manufacturing operations conducted there;
- (j) products extracted from marine soil or subsoil outside the territorial waters provided that they have sole rights to work that soil or subsoil;
- (k) goods produced there exclusively from the products specified in subparagraphs (a) to (j).

2. The terms "their vessels" and "their factory ships" in paragraph 1(f) and (g) shall apply only to vessels and factory ships:

- (a) which are registered or recorded in an OCT, in a Member State or in an ACP State;
- (b) which sail under the flag of an OCT, of a EC Member State or of an ACP State;
- (c) which are owned to an extent of at least 50 per cent by OCT, Member State or ACP nationals, or by a company with its head office in the OCT or one of these States, of which Chairman of the Board of Directors or the Supervisory Board, and the majority of the members of such boards are OCT, Member State, or ACP nationals and of which, in addition, in the case of

partnerships or limited companies, at least half the capital belongs to Member States or ACP States or to public bodies or nationals of the said States, or of an OCT;

(d) of which at least 50 % of the crew, master and officers included, are OCT, Member State, or ACP nationals.

3. Notwithstanding the provisions of paragraph 2, where an OCT offers the Community the opportunity to negotiate a fisheries agreement and the Community does not accept this offer, the OCT concerned may charter or lease third country vessels to undertake fisheries activities in its exclusive economic zone and request that such vessels be treated as "their vessels" under the following conditions:

- that the OCT offered the Community the opportunity to negotiate a fisheries agreement and the Community did not accept this offer;
- that at least 50 % of the crew, master and officers included are OCT, Member State, or ACP nationals;
- that the charter or lease contract has been accepted by the Commission as providing adequate opportunities for developing the capacity of the OCT concerned to fish on its own account and in particular as conferring on the OCT concerned the responsibility for the nautical and commercial management of the vessel placed at its disposal for a significant period of time.

Article 4

Sufficiently worked or processed products

1. For the purposes of this Annex, products which are not wholly obtained are considered to be sufficiently worked or processed in the OCT, in the Community or in the ACP States, when the conditions set out in the list in Appendix 2 are fulfilled.

The conditions referred to above indicate, for all products covered by this Decision, the working or processing which must be carried out on non-originating materials used in manufacturing and apply only in relation to such materials. Accordingly, it follows that if a product, which has acquired originating status by fulfilling the conditions set out in the list is used in the manufacture of another product, the conditions applicable to the product in which it is incorporated do not apply to it, and no account shall be taken of the non-originating materials which may have been used in its manufacture.

2. Notwithstanding paragraph 1, non-originating materials which, according to the conditions set out in the list, should not be used in the manufacture of a given product may nevertheless be used, provided that:

- (a) their total value does not exceed 15 per cent of the ex-works price of the product;
- (b) any of the percentages given in the list for the maximum value of non-originating materials are not exceeded through the application of this paragraph.

3. Paragraphs 1 and 2 shall apply except as provided in Article 5.

Article 5

Insufficient working or processing operations

1. Without prejudice to paragraph 2, the following operations shall be considered as insufficient working or processing to confer the status of originating products, whether or not the requirements of Article 4 are satisfied:

- (a) preserving operations to ensure that the products remain in good condition during transport and storage;
- (b) breaking-up and assembly of packages;
- (c) washing, cleaning; removal of dust, oxide, oil, paint or other coverings;
- (d) ironing or pressing of textiles;
- (e) simple painting and polishing operations;
- (f) husking, partial or total milling, polishing, and glazing of cereals and rice;

- (g) operations to colour sugar or form sugar lumps; partial or total milling of sugar;
- (h) peeling, stoning and shelling, of fruits, nuts and vegetables;
- (i) sharpening, simple grinding or simple cutting;
- (j) sifting, screening, sorting, classifying, grading, matching; (including the making-up of sets of articles);
- (k) simple placing in bottles, cans, flasks, bags, cases, boxes, fixing on cards or boards and all other simple packaging operations;
- (l) affixing or printing marks, labels, logos and other like distinguishing signs on products or their packaging;
- (m) simple mixing of products, whether or not of different kinds, where one or more components of the mixtures do not meet the conditions laid down in this Annex to enable them to be considered as originating in the OCT, in the Community or in an ACP State;
- (n) simple assembly of parts of articles to constitute a complete article or disassembly of products into parts;
- (o) a combination of two or more operations specified in subparagraphs (a) to (n);
- (p) slaughter of animals.

2. All the operations carried out in either the OCT, the Community or the ACP States on a given product shall be considered together when determining whether the working or processing undergone by that product is to be regarded as insufficient within the meaning of paragraph 1.

Article 6

Cumulation of origin

1. Materials originating in the Community or in the ACP States shall be considered as materials originating in the OCT when incorporated into a product obtained there. It shall not be necessary that such materials have undergone sufficient working or processing, provided they have undergone working or processing going beyond that referred to in Article 5.
2. Working and processing carried out in the Community or in the ACP States shall be considered as having been carried out in the OCT, when the materials undergo subsequent working or processing in the OCT.
3. Products which have acquired originating status by virtue of paragraph 2 shall only continue to be considered as products originating in the OCT, when the working or processing carried out in the OCT goes beyond that referred to in Article 5.
4. Paragraphs 1 and 2 shall not apply to the products falling within Chapters 1 to 24 of the Harmonised System if the materials used originate in the Community and are covered by an export refund system for agricultural products, unless evidence is provided that no export refund has been paid for the materials used.

With regard to products falling within HS Chapter 17 and HS tariff headings 1806 10 30 and 1806 10 90, ACP/EC-OCT cumulation of origin shall only be allowed as from 1 February 2002 within an annual quantity of 28000 tonnes until 31 December 2007. Such annual quantity shall be progressively reduced and eventually phased out, as follows:

- 21000 tonnes on 1 January 2008;
- 14000 tonnes on 1 January 2009;
- 7000 tonnes on 1 January 2010;
- zero tonnes on 1 January 2011.

Such annual quantities may not be carried over from one year to the next.

For the purpose of implementing the rules on cumulation of origin, forming sugar lumps or cubes and milling of sugar shall be considered as sufficient to confer OCT-originating status.

The Commission shall adopt the necessary implementing arrangements.

5. With regard to products falling within HS code 1006 and without prejudice to the possible increases referred to in subparagraphs 4 and 5, ACP-OCT cumulation of origin shall only be allowed as from 1 February 2002 within a total annual quantity of 160000 tonnes expressed as husked rice equivalent, which shall include the tariff quota for rice originating in ACP States provided for in the ACP-EC Partnership Agreement.

An initial issue of import licences for a quantity of 35000 tonnes expressed as husked rice equivalent shall be made to the OCTs each year, and within this quantity, import licences for a quantity of 10000 tonnes expressed as husked rice equivalent shall be issued to the least developed OCTs listed in Annex IB. All other import licences shall be issued to the Netherlands Antilles and Aruba. OCT imports may reach the level of 160000 tonnes referred to in the first subparagraph, including the abovementioned 35000 tonnes, without prejudice to any increases referred to in subparagraphs 4 and 5, in so far as the ACP States do not actually use their direct export possibilities under the quota referred to in the first subparagraph.

The issue of import licences shall be spaced out over the year in a series of periods laid down to ensure balanced market management.

In accordance with the procedure laid down in Article 22 of Regulation (EC) No 3072/95, the Commission may increase the quantity referred to in the first subparagraph by a maximum of 20000 tonnes expressed as husked rice equivalent if, during April and once it has a sufficiently clear view of the current Community marketing year, it finds that such an increase will not disrupt the Community market.

If the Commission finds, as from 1 August, that there is an established risk of a shortage of Indica rice on the Community market, it may, by way of derogation from subparagraphs 1 to 4 and in accordance with the applicable management procedures, increase the above quantities. For the purposes of implementing this paragraph and notwithstanding Article 5(1)(f), wholly milling or semi-milling operations shall be considered as sufficient to confer the status of OCT-originating products.

The Commission shall adopt the necessary implementing arrangements by the same procedure. The quantities set out in this paragraph may not be carried over from one year to the next.

Article 7

Unit of qualification

1. The unit of qualification for the application of the provisions of this Annex shall be the particular product which is considered as the basic unit when determining classification using the nomenclature of the Harmonised System.

Accordingly, it follows that:

(a) when a product composed of a group or assembly of articles is classified under the terms of the Harmonised System in a single heading, the whole constitutes the unit of qualification;

(b) when a consignment consists of a number of identical products classified under the same heading of the Harmonised System, each product must be taken individually when applying the provisions of this Annex.

2. Where, under General Rule 5 of the Harmonised System, packaging is included with the product for classification purposes, it shall be included for the purposes of determining origin.

Article 8

Accessories, spare parts and tools

Accessories, spare parts and tools dispatched with a piece of equipment, machine, apparatus or vehicle, which are part of the normal equipment and included in the price thereof or which are not separately invoiced, shall be regarded as one with the piece of equipment, machine, apparatus or vehicle in question.

Article 9

Sets

Sets, as defined in General Rule 3 of the Harmonised System, shall be regarded as originating when all component products are originating. Nevertheless, when a set is composed of originating and non-originating products, the set as a whole shall be regarded as originating, provided that the value of the non-originating products does not exceed 15 per cent of the ex-works price of the set.

Article 10

Neutral elements

In order to determine whether a product originates, it shall not be necessary to determine the origin of the following which might be used in its manufacture:

- (a) energy and fuel;
- (b) plant and equipment;
- (c) machines and tools;
- (d) goods which do not enter and which are not intended to enter into the final composition of the product.

TITLE III

TERRITORIAL REQUIREMENTS

Article 11

Principle of territoriality

1. The conditions set out in Title II relative to the acquisition of originating status must be fulfilled without interruption in the OCT, except as provided for in Article 6.
2. If originating goods exported from the OCT, the Community, or the ACP States to another country are returned, they must be considered as non-originating, unless it can be demonstrated to the satisfaction of the customs authorities that:
 - (a) the goods returned are the same goods as those exported;
 - (b) they have not undergone any operation beyond that necessary to preserve them in good condition while in that country or while being exported.

Article 12

Direct transport

1. The preferential treatment provided for under the trade cooperation provisions of the Decision applies only to products, satisfying the requirements of this Annex, which are transported directly between the territories of the OCT, of the Community, or of the ACP States, without entering any other territory. However, products constituting one single consignment may be transported through other territories with, should the occasion arise, transshipment or temporary warehousing in such territories, provided that they remain under the surveillance of the customs authorities in the country of transit or warehousing and do not undergo operations other than unloading, reloading or any operation designed to preserve them in good condition.

Originating products may be transported by pipeline across territory other than that of an OCT, of the Community, or of an ACP State.

2. Evidence that the conditions set out in paragraph 1 have been fulfilled shall be supplied to the customs authorities of the importing country by the production of:

- (a) a single transport document covering the passage from the exporting country or territory through the country of transit; or
- (b) a certificate issued by the customs authorities of the country of transit:
 - (i) giving an exact description of the products;
 - (ii) stating the dates of unloading and reloading of the products and, where applicable, the names of the ships, or the other means of transport used;

- (iii) certifying the conditions under which the products remained in the transit country; or
- (c) failing these, any substantiating documents.

Article 13

Exhibitions

1. Originating products, sent from an OCT for exhibition in a country other than an OCT, an ACP State or a Member State and sold after the exhibition for importation in the Community shall benefit on importation from the provisions of the Decision provided it is shown to the satisfaction of the customs authorities that:

- (a) an exporter has consigned these products from an OCT to the country in which the exhibition is held and has exhibited them there;
- (b) the products have been sold or otherwise disposed of by that exporter to a person in the Community;
- (c) the products have been consigned during the exhibition or immediately thereafter in the state in which they were sent for exhibition;
- (d) the products have not, since they were consigned for exhibition, been used for any purpose other than demonstration at the exhibition.

2. A proof of origin must be issued or made out in accordance with the provisions of Title IV and submitted to the customs authorities of the importing country in the normal manner. The name and address of the exhibition must be indicated thereon. Where necessary, additional documentary evidence of the conditions under which they have been exhibited may be required.

3. Paragraph 1 shall apply to any trade, industrial, agricultural or crafts exhibition, fair or similar public show or display which is not organised for private purposes in shops or business premises with a view to the sale of foreign products, and during which the products remain under customs control.

TITLE IV

PROOF OF ORIGIN

Article 14

General requirements

1. Products originating in the OCT shall, on importation into the Community benefit from this Decision upon submission of either:

- (a) a movement certificate EUR.1, a specimen of which appears in Appendix 3; or
- (b) in the cases specified in Article 19(1), a declaration, the text of which appears in Appendix 4, given by the exporter on an invoice, a delivery note or any other commercial document which describes the products concerned in sufficient detail to enable them to be identified (hereinafter referred to as the "invoice declaration").

2. Notwithstanding paragraph 1, originating products within the meaning of this Annex shall, in the cases specified in Article 25, benefit from this Decision without it being necessary to submit any of the documents referred to above.

Article 15

Procedure for the issue of a movement certificate EUR.1

1. A movement certificate EUR.1 shall be issued by the customs authorities of the exporting OCT on application having been made in writing by the exporter or, under the exporter's responsibility, by his authorised representative.

2. For this purpose, the exporter or his authorised representative shall fill out both the movement certificate EUR.1 and the application form, specimens of which appear in Appendix 3. These forms shall be completed in accordance with the provisions of this Annex. If they are hand-written, they shall be completed in ink in printed characters. The description of the products must be given in the box reserved for this purpose without leaving any blank lines.

3. The exporter applying for the issue of a movement certificate EUR.1 shall be prepared to submit at any time, at the request of the customs authorities of the exporting OCT where the movement certificate EUR.1 is issued, all appropriate documents proving the originating status of the products concerned as well as the fulfilment of the other requirements of this Annex.

5. The issuing customs authorities shall take any steps necessary to verify the originating status of the products and the fulfilment of the other requirements of this Annex. For this purpose, they shall have the right to call for any evidence and to carry out any inspection of the exporter's accounts or any other check considered appropriate. The issuing customs authorities shall also ensure that the forms referred to in paragraph 2 are duly completed. In particular, they shall check whether the space reserved for the description of the products has been completed in such a manner as to exclude all possibility of fraudulent additions.

7. A movement certificate EUR.1 shall be issued by the customs authorities and made available to the exporter as soon as actual exportation has been effected or ensured.

Movement certificates EUR.1 issued retrospectively

(a) it was not issued at the time of exportation because of errors or involuntary omissions or special circumstances; or

2. For the implementation of paragraph 1, the exporter must indicate in his application the place and date of exportation of the products to which the movement certificate EUR.1 relates, and state the reasons for his request.

3. The customs authorities may issue a movement certificate EUR.1 retrospectively only after verifying that the information supplied in the exporter's application agrees with that in the corresponding file.

4. Movement certificates EUR.1 issued retrospectively must be endorsed with one of the following phrases in the "Remarks" box (Box 7) of the movement certificate EUR.1.

"EXPEDIDO A POSTERIORI", /"UDSTEDT EFTERFØLGENDE", /"NACHTRÄGLICH AUSGESTELLT", / ">ISO_7>ÄËÄËÄË ÄÊ ÔÛÎ ÖÖÔÃÑÛÎ", /">ISO_1>ISSUED RETROSPECTIVELY", /"DÉLIVRÉ A POSTERIORI", /"RILASCIATO A POSTERIORI", /"AFGEGEVEN A POSTERIORI", /"EMITIDO A POSTERIORI", /"ANNETTU JÄLKIKÄTEEN", /"UTFÄRDAT I EFTERHAND".

5. The endorsement referred to in paragraph 4 shall be inserted in the "Remarks" box of the movement certificate EUR1.

Issue of a duplicate movement certificate EUR.1

1. In the event of theft, loss or destruction of a movement certificate EUR.1, the exporter may apply to the customs authorities which issued it for a duplicate made out on the basis of the export documents in their possession.

2. The duplicate movement certificate EUR.1 shall be endorsed in the "Remarks" box (Box 7) with one of the following words:

"DUPLICADO", "DUPLIKAT", ">ISO_7>ÁÍÔÉÃÑÁÖÏ", ">ISO_1>DUPLICATE", "DUPLICATA", "DUPLICATO", "DUPLICAAT", "SEGUNDA VIA", "KAKSOISKAPPALE".

3. The endorsement referred to in paragraph 2 shall be inserted in the "Remarks" box of the duplicate movement certificate EUR.1.

4. The duplicate, which must bear the date of issue of the original movement certificate EUR.1, shall take effect as from that date.

Article 18

Issue of movement certificates EUR.1 on the basis of a proof of origin issued or made out previously

When originating products are placed under the control of a customs office in the Community or in an OCT, it shall be possible to replace the original proof of origin by one or more movement certificates EUR.1 for the purpose of sending all or some of these products elsewhere within the Community or within the OCT. The replacement movement certificate(s) EUR.1 shall be issued by the customs office under whose control the products are placed.

Article 19

Conditions for making out an invoice declaration

1. An invoice declaration as referred to in Article 14(1)(b) may be made out:

(a) by an approved exporter within the meaning of Article 20, or

(b) by any exporter for any consignment consisting of one or more packages containing originating products whose total value does not exceed EUR 6000.

2. An invoice declaration may be made out if the products concerned can be considered as products originating in the OCT, in the ACP States or in the Community and fulfil the other requirements of this Annex.

3. The exporter making out an invoice declaration shall be prepared to submit at any time, at the request of the customs authorities of the exporting country or territory, all appropriate documents proving the originating status of the products concerned as well as the fulfilment of the other requirements of this Annex.

4. An invoice declaration shall be made out by the exporter by typing, stamping or printing on the invoice, the delivery note or another commercial document, the declaration, the text of which appears in Appendix 4, using one of the linguistic versions set out in that Annex and in accordance with the provisions of the domestic law of the exporting country or territory. If the declaration is hand-written, it shall be written in ink in printed characters.

5. Invoice declarations shall bear the original signature of the exporter in manuscript. However, an approved exporter within the meaning of Article 20 shall not be required to sign such declarations provided that he gives the customs authorities of the exporting country a written undertaking that he accepts full responsibility for any invoice declaration which identifies him as if it had been signed in manuscript by him.

6. An invoice declaration may be made out by the exporter when the products to which it relates are exported, or after exportation on condition that it is presented in the importing country no longer than two years after the importation of the products to which it relates.

Article 20

Approved exporter

1. The customs authorities of the exporting country may authorise any exporter who makes frequent shipments of products under the trade cooperation provisions of the Decision to make out invoice declarations irrespective of the value of the products concerned. An exporter seeking such authorisation must offer to the satisfaction of the customs authorities all

guarantees necessary to verify the originating status of the products as well as the fulfilment of the other requirements of this Annex.

2. The customs authorities may grant the status of approved exporter subject to any conditions which they consider appropriate.

3. The customs authorities shall grant to the approved exporter a customs authorisation number which shall appear on the invoice declaration.

4. The customs authorities shall monitor the use of the authorisation by the approved exporter.

5. The customs authorities may withdraw the authorisation at any time. They shall do so where the approved exporter no longer offers the guarantees referred to in paragraph 1, does not fulfil the conditions referred to in paragraph 2 or otherwise makes an incorrect use of the authorisation.

Article 21

Validity of proof of origin

1. A proof of origin shall be valid for ten months from the date of issue in the exporting country, and must be submitted within the said period to the customs authorities of the importing country.

2. Proofs of origin which are submitted to the customs authorities of the importing country after the final date for presentation specified in paragraph 1 may be accepted for the purpose of applying preferential treatment, where the failure to submit these documents by the final date set is due to exceptional circumstances.

3. In other cases of belated presentation, the customs authorities of the importing country may accept the proofs of origin where the products have been submitted before the said final date.

Article 22

Transit procedure

When the products enter an OCT or an ACP State other than the country of origin, a further period of validity of 4 months shall commence on the date on which the customs authorities in the country of transit enter the following in the Remarks box (Box 7) of the certificate EUR.1:

- the word "transit",
- the name of the country of transit,
- the official stamp, a specimen of which had been made available to the Commission, in conformity with Article 31,
- date of the endorsements.

Article 23

Submission of proof of origin

Proofs of origin shall be submitted to the customs authorities of the importing country in accordance with the procedures applicable in that country. The said authorities may require a translation of a proof of origin and may also require the import declaration to be accompanied by a statement from the importer to the effect that the products meet the conditions required for the implementation of the Decision.

Article 24

Importation by instalments

Where, at the request of the importer and on the conditions laid down by the customs authorities of the importing country, dismantled or non-assembled products within the meaning of General Rule 2(a) of the Harmonised System falling within Sections XVI and XVII or heading Nos 7308 and 9406 of the Harmonised System are imported by instalments, a single proof of origin for such products shall be submitted to the customs authorities upon importation of the first instalment.

Article 25

Exemptions from proof of origin

1. Products sent as small packages from private persons to private persons or forming part of travellers' personal luggage shall be admitted as originating products without requiring the submission of a proof of origin, provided that such products are not imported by way of trade and have been declared as meeting the requirements of this Annex and where there is no doubt as to the veracity of such a declaration. In the case of products sent by post, this declaration can be made on the customs declaration CN22/CN23 or on a sheet of paper annexed to that document.

2. Imports which are occasional and consist solely of products for the personal use of the recipients or travellers or their families shall not be considered as imports by way of trade if it is evident from the nature and quantity of the products that no commercial purpose is in view.

3. Furthermore, the total value of these products shall not exceed 500 EUR in the case of small packages or 1200 EUR in the case of products forming part of travellers' personal luggage.

Article 26

Information procedure for cumulation purposes

1. When Article 2(2) or Article 6(1) are applied, the evidence of originating status within the meaning of this Annex of the materials coming from the other OCT, the Community or the ACP States shall be given by a movement certificate EUR.1 or by the supplier's declaration, a specimen of which appears in Appendix 5 A, given by the exporter in the country from which the materials came.

2. When Article 2(2) or Article 6(2) are applied, the evidence of the working or processing carried out in the other OCT, the Community or in the ACP States shall be given by the supplier's declaration a specimen of which appears in Appendix 5 B, given by the exporter in the country from which the materials came.

3. A separate supplier's declaration shall be given by the supplier for each consignment of material on the commercial invoice related to that shipment or in an annex to that invoice, or on a delivery note or other commercial document related to that shipment which describes the materials concerned in sufficient detail to enable them to be identified.

4. The supplier's declaration may be made out on a pre-printed form.

5. The suppliers' declarations shall be signed in manuscript. However, where the invoice and the supplier's declaration are established using electronic data-processing methods, the supplier's declaration need not be signed in manuscript provided the responsible official in the supplying company is identified to the satisfaction of the customs authorities in the country or territory where the suppliers' declarations are established. The said customs authorities may lay down conditions for the implementation of this paragraph.

6. The supplier's declarations are submitted to the competent customs office in the exporting OCT requested to issue the movement certificate EUR.1.

7. Suppliers' declarations made and information certificates issued before the date of entry into force of this Decision in accordance with Article 23 of Annex II to Decision 91/482/EEC shall remain valid.

8. For the purpose of Article 6(4), first subparagraph, the movement certificate EUR.1 shall be endorsed with one of the following phrases in the "Remarks" box (Box 7) of the movement certificate EUR.1:

"RESTITUCIÓN A LA EXPORTACIÓN NO PAGADA", /"EKSPORTRESTITUTION IKKE UDBETALT", /"KEINE AUSFUHRERSTATTUNG GEZAHLT", /">ISO_7>ÄÄÍ ÊÁÔÄÊËÇÇ ÊÁÔÁ ÔÇÍ ÂÎÄÛÄÇ", /">ISO_1>EXPORT REFUND NOT PAID", /"RESTITUTION À L'EXPORTATION NON PAYÉE", /"RESTITUZIONE ALL'ESPORTAZIONE NON CORRISPOSTA", /"GEEN UITVOERRESTITUTIE"

BETAALD", /"RESTITUIÇÕES À EXPORTAÇÃO NÃO PAGAS", /"EI MAKSETTU VIENTITUKEA", /"EXPORTSTÖD EJ UTBETALAT".

Article 27

Supporting documents

The documents referred to in Article 15(3) and Article 19(3) used for the purpose of proving that products covered by a movement certificate EUR.1 or an invoice declaration can be considered as products originating in an OCT or in the Community or in an ACP and fulfil the other requirements of this Annex may consist inter alia of the following:

- (a) direct evidence of the processes carried out by the exporter or supplier to obtain the goods concerned, contained for example in his accounts or internal bookkeeping;
- (b) documents proving the originating status of materials used, issued or made out in an OCT, or in the Community or in an ACP State where these documents are used in accordance with domestic law;
- (c) documents proving the working or processing of materials in the OCT, in the Community, or in the ACP States, issued or made out in an OCT, in the Community or in an ACP State, where these documents are used in accordance with domestic law;
- (d) movement certificates EUR.1 or invoice declarations proving the originating status of materials used, issued or made out in the OCT, in the Community or in the ACP States and in accordance with this Annex.

Article 28

Preservation of proof of origin and supporting documents

- 1. The exporter applying for the issue of a movement certificate EUR.1 shall keep for at least three years the documents referred to in Article 15(3).
- 2. The exporter making out an invoice declaration shall keep for at least three years a copy of this invoice declaration as well as the documents referred to in Article 19(3).
- 3. The customs authorities of the exporting OCT issuing a movement certificate EUR.1 shall keep for at least three years the application form referred to in Article 15(2).
- 4. The customs authorities of the importing country shall keep for at least three years the movement certificates EUR.1 and the invoice declarations submitted to them.

Article 29

Discrepancies and formal errors

- 1. The discovery of slight discrepancies between the statements made in the proof of origin and those made in the documents submitted to the customs office for the purpose of carrying out the formalities for importing the products shall not ipso facto render the proof of origin null and void if it is duly established that this document does correspond to the products submitted.
- 2. Obvious formal errors such as typing errors on a proof of origin should not cause this document to be rejected if these errors are not such as to create doubts concerning the correctness of the statements made in this document.

Article 30

Amounts expressed in euro

- 1. The amounts to be used in any given national currency of a Member State shall be the equivalent in that national currency of the amounts expressed in euro as at the first working day in October 1999.
- 2. The amounts expressed in euro and their equivalents in the national currencies of some Member States shall be reviewed by the Customs Code Committee (Origin Section) at the request of the Commission, a Member State or of the OCT. When carrying out this review, the Committee shall ensure that there will be no decrease in the amounts to be used in any national currency and shall furthermore consider the desirability of preserving the effects of the limits

concerned in real terms. For this purpose, it may decide to modify the amounts expressed in euro.

3. When the products are invoiced in the currency of another Member State, the importing country shall recognise the amount notified by the Member State concerned.

TITLE V

ARRANGEMENTS FOR ADMINISTRATIVE COOPERATION

Article 31

Communication of stamps and addresses

The OCT shall send to the Commission specimens of the stamps used together with the addresses of the customs authorities competent to issue movement certificates EUR.1 and carry out the subsequent verification of movement certificates EUR.1 and invoice declarations. Movement certificates EUR.1 shall be accepted for the purpose of applying preferential treatment from the date the information is received by the Commission.

The Commission shall send this information to the customs authorities of the Member States.

Article 32

Verification of proofs of origin

1. In order to ensure the proper application of this Annex, the OCT, the Community and the ACP States shall assist each other, through the competent customs administrations, in checking the authenticity of the movement certificates EUR.1 or the invoice declarations and the correctness of the information given in these documents.

The authorities consulted shall furnish the relevant information concerning the conditions under which the product has been made, indicating especially the conditions in which the rules of origin have been respected in the various OCT, Member States or ACP States concerned.

2. Subsequent verifications of proofs of origin shall be carried out at random or whenever the customs authorities of the importing country have reasonable doubts as to the authenticity of such documents, the originating status of the products concerned or the fulfilment of the other requirements of this Annex.

3. For the purposes of implementing the provisions of paragraph 2, the customs authorities of the importing country shall return the movement certificate EUR.1 and the invoice, if it has been submitted, the invoice declaration, or a copy of these documents, to the customs authorities of the exporting country giving, where appropriate, the reasons for the enquiry. Any documents and information obtained suggesting that the information given on the proof of origin is incorrect shall be forwarded in support of the request for verification.

4. The verification shall be carried out by the customs authorities of the exporting country. For this purpose, they shall have the right to call for any evidence and to carry out any inspection of the exporter's accounts or any other check considered appropriate.

5. If the customs authorities of the importing country decide to suspend the granting of preferential treatment to the products concerned while awaiting the results of the verification, release of the products shall be offered to the importer subject to any precautionary measures judged necessary.

6. The customs authorities requesting the verification shall be informed of the results of this verification as soon as possible. These results must indicate clearly whether the documents are authentic and whether the products concerned can be considered as products originating in the OCT, in the Community or in the ACP and fulfil the other requirements of this Annex.

7. If in cases of reasonable doubt there is no reply within ten months of the date of the verification request or if the reply does not contain sufficient information to determine the authenticity of the document in question or the real origin of the products, the requesting

customs authorities shall, except in exceptional circumstances, refuse entitlement to the preferences.

8. Where the verification procedure or any other available information appears to indicate that the provisions of this Annex are being contravened, the OCT on its own initiative or at the request of the Community shall carry out appropriate enquires or arrange for such enquiries to be carried out with due urgency to identify and prevent such contraventions. The Commission may participate in the enquiries.

Article 33

Verification of suppliers' declarations

1. Verification of suppliers' declaration may be carried out at random or whenever the customs authorities of the importing country have reasonable doubts as to the authenticity of the document or the accuracy or completeness of the information concerning the true origin of the materials in question.

2. The customs authorities to which a supplier's declaration is submitted may request the customs authorities of the State where the declaration was made to issue an information certificate, a specimen of which appears in Appendix 6. Alternatively, the customs authorities to which a supplier's declaration is submitted may request the exporter to produce an information certificate issued by the customs authorities of the State where the declaration was made. A copy of the information certificate shall be preserved by the office which has issued it for at least three years.

3. The requesting customs authorities shall be informed of the results of the verification as soon as possible. The results must be such as to indicate positively whether the declaration concerning the status of the materials is correct.

4. For the purpose of verification, suppliers shall keep for not less than three years a copy of the document containing the declaration together with all necessary evidence showing the true status of the materials.

5. The customs authorities in the State where the supplier's declaration is established shall have the right to call for any evidence or to carry out any check which they consider appropriate in order to verify the correctness of any supplier's declaration.

6. Any movement certificate EUR.1 issued or made out on the basis of an incorrect supplier's declaration shall be considered null and void.

Article 34

Dispute settlement

Where disputes arise in relation to the verification procedures of Articles 32 and 33 which cannot be settled between the customs authorities requesting a verification and the customs authorities responsible for carrying out this verification or where they raise a question as to the interpretation of this Annex, they shall be submitted to the Customs Code Committee - Origin Section instituted by Regulation (EEC) No 2913/92.

In all cases the settlement of disputes between the importer and the customs authorities of the importing country shall be under the legislation of the said country.

Article 35

Penalties

Penalties shall be imposed on any person who draws up, or causes to be drawn up, a document which contains incorrect information for the purpose of obtaining a preferential treatment for products.

Article 36

Free zones

1. The OCT and the Member States shall take all necessary steps to ensure that products traded under cover of a proof of origin or a supplier's declaration and which in the course of transport use a free zone situated in their territory, are not substituted by other goods and do not undergo handling other than normal operations designed to prevent their deterioration.

2. By means of an exemption to the provisions contained in paragraph 1, when originating products are imported into a free zone under cover of a proof of origin and undergo treatment or processing, the authorities concerned shall issue a new EUR.1 certificate at the exporter's request, if the treatment or processing undergone is in conformity with the provisions of this Annex.

Article 37

Derogations

1. Derogations from this Annex may be adopted where the development of existing industries or the creation of new industries justifies them.

The Member State or, where appropriate, the OCT authorities concerned shall notify the Community of its request for a derogation together with the reasons for the request in accordance with paragraph 2.

The Community shall respond positively to all the requests which are duly justified in conformity with this Article and which cannot cause serious injury to an established Community industry.

2. In order to facilitate the examination of requests for derogation, the Member State or OCT making the request shall, by means of the form given in Appendix 7, furnish in support of its request the fullest possible information covering in particular the points listed below:

- description of the finished product,
- nature and quantity of materials originating in a third country,
- nature and quantity of materials originating in ACP States, the Community or the OCT, or which have been processed there,
- manufacturing processes,
- value added,
- number of employees in the enterprise concerned,
- anticipated volume of exports to the Community,
- other possible sources of supply for raw materials,
- reasons for the duration requested in the light of efforts made to find new sources of supply,
- other observations.

The same rules shall apply to any requests for extension.

3. The examination of requests shall in particular take into account:

- (a) the level of development or the geographical situation of the OCT concerned;
- (b) cases where the application of the existing rules of origin would significantly affect the ability of an existing industry in OCT to continue its exports to the Community, with particular reference to cases where this could lead to cessation of its activities;
- (c) specific cases where it can be clearly demonstrated that significant investment in an industry could be deterred by the rules of origin and where a derogation favouring the realisation of the investment programme would enable these rules to be satisfied by stages.

4. In every case an examination shall be made to ascertain whether the rules relating to cumulation of origin do not provide a solution to the problem.

5. In addition when a request for derogation concerns a least-developed country or territory, its examination shall be carried out with a favourable bias having particular regard to:

- (a) the economic and social impact of the decision to be taken especially in respect of employment;

(b) the need to apply the derogation for a period taking into account the particular situation of the OCT concerned and its difficulties.

6. In the examination of requests, special account shall be taken, case by case, of the possibility of conferring originating status on products which include in their composition materials originating in neighbouring developing countries or least-developed countries, provided that satisfactory administrative cooperation can be established.

7. Without prejudice to paragraphs 1 to 6, the derogation shall be granted where the value added to the non-originating products used in the OCT concerned is at least 45 % of the value of the finished product, provided that the derogation is not such as to cause serious injury to an economic sector of the Community or of one or more Member States.

8. (a) The Council and the Commission shall take steps necessary to ensure that a decision is reached as quickly as possible and in any case not later than 75 working days after the request is received by the Chairman of the Customs Code Committee - Origin Section. In this context, Council Decision 2000/399/EC(1) shall apply *mutatis mutandis*.

(b) If a decision is not taken within the time limit referred to in subparagraph (a), the request shall be deemed to have been accepted.

9. (a) The derogation shall be valid for a period, generally of five years.

(b) The derogation decision may provide for renewals without a new decision of the Commission being necessary, provided that the Member State or OCT concerned submits, three months before the end of each period, proof that it is still unable to meet the conditions of this Annex which have been derogated from.

If any objection is made to the extension, the Commission shall examine it as soon as possible and decide whether to prolong the derogation. The Commission shall proceed as provided for in paragraph 8. All necessary measures shall be taken to avoid interruptions in the application of the derogation.

(c) In the periods referred to in subparagraphs (a) and (b), the Community may review the terms for implementing the derogation should a significant change be found to have taken place in the substantive factors governing the decision to grant the derogation. On conclusion of its review the Community may decide to amend the terms of its decision as regards the scope of derogation or any other condition previously laid down.

TITLE VI

CEUTA AND MELILLA

Article 38

Special conditions

1. The term "Community" used in this Annex shall not cover Ceuta and Melilla. The term "products originating in the Community" shall not cover products originating in Ceuta and Melilla.

2. The provisions of this Annex shall apply *mutatis mutandis* in determining whether products may be deemed as originating in the OCT when imported into Ceuta and Melilla.

3. Where products wholly obtained in Ceuta, Melilla, the ACP States or the Community undergo working and processing in the OCT, they shall be considered as having been wholly obtained in the OCT.

4. Working or processing carried out in Ceuta, Melilla, the ACP States or the Community shall be considered as having been carried out in the OCT, when materials undergo further working or processing in the OCT.

5. For the purpose of implementing paragraphs 3 and 4, the insufficient operations listed in Article 5 shall not be considered as working or processing.

6. Ceuta and Melilla shall be considered as a single territory.

TITLE VII

FINAL PROVISIONS

Article 39

Revision of rules of origin

1. The Council shall examine whenever the relevant authorities of a country or territory or of the Community so request, the application of the provisions of this Annex and their economic effects with a view to making any necessary amendments or adaptations.

The Council shall take into account among other elements the effects on the rules of origin of technological developments.

The decisions taken shall be implemented as soon as possible.

2. Any technical amendments to this Annex shall be adopted in accordance with the regulatory procedure laid down in Article 5 of Council Decision 1999/468/EC of 28 June 1999. The Commission shall be assisted for such purpose by the Customs Code Committee referred to in Article 247a of Regulation (EEC) No 2913/92(2), and the period laid down in Article 5(6) of Decision 1999/468/EC shall be set at three months. The afore-mentioned procedure shall not apply to Article 6(4) and (5) of this Annex.

Article 40

Appendices

The Appendices to this Annex shall form an integral part thereof.

Article 41

Implementation of the Annex

The Community and the OCT shall each take the steps necessary to implement this Annex.

Article 42

Transitional period concerning the making out of forms EUR.2

1. Until 31 December 2002, the competent customs authorities of the Community shall accept as valid proof of origin within the meaning of this Annex EUR.2 forms issued within the context of this Decision.

2. Requests for subsequent verification of EUR.2 forms shall be accepted by the competent authorities of the exporting countries for a period of two years after the making out of the EUR.2 form concerned. These verifications shall be carried out in accordance with Title V of this Annex.

(1) Council Decision of 16 June 2000 on the procedure concerning derogations from the rules of origin set out in Protocol No 1 to the ACP-EC Partnership Agreement (OJ L 151, 24.6.2000, p. 16).

(2) OJ L 302, 19.10.1992, p. 1. Regulation as last amended by Regulation (EC) No 2700/2000 (OJ L 311, 12.12.2000, p. 17).

Appendix 1

Introductory notes to the list in Appendix 2

Note 1:

The list sets out the conditions required for all products to be considered as sufficiently worked or processed within the meaning of Article 4 of Appendix 2.

Note 2:

2.1. The first two columns in the list describe the product obtained. The first column gives the heading number or chapter number used in the Harmonized System and the second column gives the description of goods used in that system for that heading or chapter. For each entry in the first two columns a rule is specified in columns 3 or 4. Where, in some cases, the entry in

the first column is preceded by an "ex", this signifies that the rules in columns 3 or 4 apply only to the part of that heading as described in column 2.

2.2. Where several heading numbers are grouped together in column 1 or a chapter number is given and the description of products in column 2 is therefore given in general terms, the adjacent rules in columns 3 or 4 apply to all products which, under the Harmonized System, are classified in headings of the chapter or in any of the headings grouped together in column 1.

2.3. Where there are different rules in the list applying to different products within a heading, each indent contains the description of that part of the heading covered by the adjacent rules in columns 3 or 4.

2.4. Where, for an entry in the first two columns, a rule is specified in both columns 3 and 4, the exporter may opt, as an alternative, to apply either the rule set out in column 3 or that set out in column 4. If no origin rule is given in column 4, the rule set out in column 3 has to be applied.

Note 3:

3.1. The provisions of Article 4 of Annex III concerning products having acquired originating status which are used in the manufacture of other products apply regardless of whether this status has been acquired inside the factory where these products are used or in another factory in the Community or in the OCT.

Example:

An engine of heading No 8407, for which the rule states that the value of the non-originating materials which may be incorporated may not exceed 40 per cent of the ex-works price, is made from "other alloy steel roughly shaped by forging" of heading No ex 7224.

If this forging has been forged in the country concerned from a non-originating ingot, it has already acquired originating status by virtue of the rule for heading No ex 7224 in the list. The forging can then count as originating in the value calculation for the engine regardless of whether it was produced in the same factory or in another factory in the Community. The value of the non-originating ingot is thus not taken into account when adding up the value of the non-originating materials used.

3.2. The rule in the list represents the minimum amount of working or processing required and the carrying out of more working or processing also confers originating status; conversely, the carrying out of less working or processing cannot confer originating status. Thus if a rule provides that non-originating material at a certain level of manufacture may be used, the use of such material at an earlier stage of manufacture is allowed and the use of such material at a later stage is not.

3.3. Without prejudice to Note 3.2 where a rule states that "materials of any heading" may be used, materials of the same heading as the product may also be used, subject, however, to any specific limitations which may also be contained in the rule. However, the expression "manufacture from materials of any heading, including other materials of heading No..." means that only materials classified in the same heading as the product of a different description than that of the product as given in column 2 of the list may be used.

3.4. When a rule in the list specifies that a product may be manufactured from more than one material, this means that any one or more materials may be used. It does not require that all be used.

Example:

The rule for fabrics of heading Nos 5208 to 5212 provides that natural fibres may be used and that chemical materials, among other materials, may also be used. This does not mean that both have to be used; it is possible to use one or the other or both.

3.5. Where a rule in the list specifies that a product must be manufactured from a particular material, the condition obviously does not prevent the use of other materials which, because of their inherent nature, cannot satisfy the rule. (See also Note 6.2 and 6.3 below in relation to textiles).

Example:

The rule for prepared foods of heading No 1904 which specifically excludes the use of cereals and their derivatives does not prevent the use of mineral salts, chemicals and other additives which are not products from cereals.

However, this does not apply to products which, although they cannot be manufactured from the particular materials specified in the list, can be produced from a material of the same nature at an earlier stage of manufacture.

Example:

In the case of an article of apparel of ex Chapter 62 made from non-woven materials, if the use of only non-originating yarn is allowed for this class of article, it is not possible to start from non-woven cloth - even if non-woven cloths cannot normally be made from yarn. In such cases, the starting material would normally be at the stage before yarn - that is the fibre stage.

3.6. Where, in a rule in the list, two percentages are given for the maximum value of non-originating materials that can be used, then these percentages may not be added together. In other words, the maximum value of all the non-originating materials used may never exceed the highest of the percentages given. Furthermore, the individual percentages must not be exceeded in relation to the particular materials they apply to.

Note 4:

4.1. The term "natural fibres" is used in the list to refer to fibres other than artificial or synthetic fibres. It is restricted to the stages before spinning takes place, including waste, and, unless otherwise specified, includes fibres that have been carded, combed or otherwise processed but not spun.

4.2. The term "natural fibres" includes horsehair of heading No 0503, silk of heading Nos 5002 and 5003 as well as the wool fibres, fine or coarse animal hair of heading Nos 5101 to 5105, the cotton fibres of heading Nos 5201 to 5203 and the other vegetable fibres of heading Nos 5301 to 5305.

4.3. The terms "textile pulp", "chemical materials" and "paper-making materials" are used in the list to describe the materials not classified in Chapters 50 to 63, which can be used to manufacture artificial, synthetic or paper fibres or yarns.

4.4. The term "man-made staple fibres" is used in the list to refer to synthetic or artificial filament tow, staple fibres or waste, of heading Nos 5501 to 5507.

Note 5:

5.1. Where for a given product in the list a reference is made to this note, the conditions set out in column 3 shall not be applied to any basic textile materials, used in the manufacture of this product, which, taken together, represent 10 per cent or less of the total weight of all the basic textile materials used. (See also Notes 5.3 and 5.4 below).

5.2. However, the tolerance mentioned in Note 5.1 may only be applied to mixed products which have been made from two or more basic textile materials.

The following are the basic textile materials:

- silk,
- wool,
- coarse animal hair,
- fine animal hair,
- horsehair,

- cotton,
- paper-making materials and paper,
- flax,
- true hemp,
- jute and other textile bast fibres,
- sisal and other textile fibres of the genus Agave,
- coconut, abaca, ramie and other vegetable textile fibres,
- synthetic man-made filaments,
- artificial man-made filaments,
- current conducting filaments,
- synthetic man-made staple fibres of polypropylene,
- synthetic man-made staple fibres of polyester,
- synthetic man-made staple fibres of polyamide,
- synthetic man-made staple fibres of polyacrylonitrile,
- synthetic man-made staple fibres of polyimide,
- synthetic man-made staple fibres of polytetrafluoroethylene,
- synthetic man-made staple fibres of polyphenylene sulphide,
- synthetic man-made staple fibres of polyvinyl chloride,
- other synthetic man-made staple fibres,
- artificial man-made staple fibres of viscose,
- other artificial man-made staple fibres,
- yarn made of polyurethane segmented with flexible segments of polyether whether or not gimped,
- yarn made of polyurethane segmented with flexible segments of polyester whether or not gimped,
- products of heading No 5605 (metallized yarn) incorporating strip consisting of a core of aluminium foil or of a core of plastic film whether or not coated with aluminium powder, of a width not exceeding 5 mm, sandwiched by means of a transparent or coloured adhesive between two layers of plastic film,
- other products of heading No 5605.

Example:

A yarn of heading No 5205 made from cotton fibres of heading No 5203 and synthetic staple fibres of heading No 5506 is a mixed yarn. Therefore, non-originating synthetic staple fibres that do not satisfy the origin rules (which require manufacture from chemical materials or textile pulp) may be used up to a weight of 10 per cent of the yarn.

Example:

A woollen fabric of heading No 5112 made from woollen yarn of heading No 5107 and synthetic yarn of staple fibres of heading No 5509 is a mixed fabric. Therefore, synthetic yarn which does not satisfy the origin rules (which require manufacture from chemical materials or textile pulp) or woollen yarn that does not satisfy the origin rules (which require manufacture from natural fibres, not carded or combed or otherwise prepared for spinning) or a combination of the two may be used provided their total weight does not exceed 10 per cent of the weight of the fabric.

Example:

Tufted textile fabric of heading No 5802 made from cotton yarn of heading No 5205 and cotton fabric of heading No 5210 is only a mixed product if the cotton fabric is itself a mixed fabric being made from yarns classified in two separate headings or if the cotton yarns used are themselves mixtures.

Example:

If the tufted textile fabric concerned had been made from cotton yarn of heading No 5205 and synthetic fabric of heading No 5407, then, obviously, the yarns used are two separate basic textile materials and the tufted textile fabric is accordingly a mixed product.

5.3. In the case of products incorporating "yarn made of polyurethane segmented with flexible segments of polyether whether or not gimped" this tolerance is 20 per cent in respect of this yarn.

5.4. In the case of products incorporating "strip consisting of a core of aluminium foil or of a core of plastic film whether or not coated with aluminium powder, of a width not exceeding 5 mm, sandwiched by means of an adhesive between two layers of plastic film", this tolerance is 30 per cent in respect of this strip.

Note 6:

6.1. In the case of those textile products, which are marked in the list by a footnote referring to this Introductory Note, textile trimmings and accessories which do not satisfy the rule set out in the list in column 3 for the made up products concerned may be used provided that their weight does not exceed 10 % of the total weight of all the textile materials incorporated. Textile trimmings and accessories are those classified in Chapters 50 to 63. Linings and interlinings are not to be regarded as trimmings or accessories.

6.2. Any non-textile trimmings and accessories or other materials used which contain textiles do not have to satisfy the conditions set out in column 3 even though they fall outside the scope of Note 3.5.

6.3. In accordance with Note 3.5, any non-originating non-textile trimmings and accessories or other product, which do not contain any textiles, may, anyway, be used freely where they cannot be made from the materials listed in column 3.

For example if a rule in the list says that for a particular textile item, such as a blouse, yarn must be used, this does not prevent the use of metal items, such as buttons, because they cannot be made from textile materials.

6.4. Where a percentage rule applies, the value of trimmings and accessories must be taken into account when calculating the value of the non-originating materials incorporated.

Note 7:

7.1. For the purposes of heading Nos ex 2707, 2713 to 2715, ex 2901, ex 2902 and ex 3403, the "specific processes" are the following:

- (a) vacuum distillation;
- (b) redistillation by a very thorough fractionation process(1);
- (c) cracking;
- (d) reforming;
- (e) extraction by means of selective solvents;
- (f) the process comprising all the following operations: processing with concentrated sulphuric acid, oleum or sulphuric anhydride; neutralization with alkaline agents; decolorization and purification with naturally active earth, activated earth, activated charcoal or bauxite;
- (g) polymerization;
- (h) alkylation;
- (i) isomerization.

7.2. For the purposes of heading Nos 2710, 2711 and 2712, the "specific processes" are the following:

- (a) vacuum distillation;
- (b) redistillation by a very thorough fractionation process;
- (c) cracking;

- (d) reforming;
- (e) extraction by means of selective solvents;
- (f) the process comprising all the following operations: processing with concentrated sulphuric acid, oleum or sulphuric anhydride; neutralization with alkaline agents; decolorization and purification with naturally active earth, activated earth, activated charcoal or bauxite;
- (g) polymerization;
- (h) alkylation;
- ij) isomerization;
- (k) in respect of heavy oils falling within heading No ex 2710 only, desulphurization with hydrogen resulting in a reduction of at least 85 per cent of the sulphur content of the products processed (ASTM D 1266-59 T method);
- (l) in respect of products falling within heading No 2710 only, deparaffining by a process other than filtering;
- (m) in respect of heavy oils falling within heading No ex 2710 only, treatment with hydrogen at a pressure of more than 20 bar and a temperature of more than 250 °C with the use of a catalyst, other than to effect desulphurization, when the hydrogen constitutes an active element in a chemical reaction. The further treatment with hydrogen of lubricating oils of heading No ex 2710 (e.g. hydrofinishing or decolorization) in order, more especially, to improve colour or stability shall not, however, be deemed to be a specific process;
- (n) in respect of fuel oils falling within heading No ex 2710 only, atmospheric distillation, on condition that less than 30 per cent of these products distils, by volume, including losses, at 300 °C by the ASTM D 86 method;
- (o) in respect of heavy oils other than gas oils and fuel oils falling within heading No ex 2710 only, treatment by means of a high-frequency electrical brush-discharge.

7.3. For the purposes of heading Nos ex 2707, 2713 to 2715, ex 2901, ex 2902 and ex 3403, simple operations such as cleaning, decanting, desalting, water separation, filtering, colouring, marking, obtaining a sulphur content as a result of mixing products with different sulphur contents, any combination of these operations or like operations do not confer origin.

(1) See Additional Explanatory Note 4(b) to Chapter 27 of the Combined Nomenclature.

Appendix 2

List of working or processing required to be carried out on non-originating materials in order that the product manufactured can obtain originating status(1)

(1) This Appendix will be published in the Official Journal as soon as possible.

Appendix 3

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Appendix 4

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Appendix 5 A

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Appendix 5 B

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Appendix 6

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Appendix 7

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ANNEX IV

CONDITIONS FOR ENTRY INTO THE COMMUNITY OF PRODUCTS NOT ORIGINATING IN THE OCT,
BUT WHICH ARE IN FREE CIRCULATION IN THE OCT, AND METHODS OF ADMINISTRATIVE
COOPERATION

Article 1

Direct transport

1. The arrangements provided for under the provisions of Article 36 of this Decision apply only to products, satisfying the requirements of this Annex, which are transported directly between the territory of the OCT and the Community without entering any other territory. However, products constituting one single consignment may be transported through territory other than that of the OCT with, should the occasion arise, transshipment or temporary warehousing in such territory, provided that they remain under the surveillance of the customs authorities in the country of transit or warehousing and do not undergo operations other than unloading, reloading or any operation designed to preserve them in good condition.

2. Evidence that the conditions set out in paragraph 1 have been fulfilled shall be supplied to the responsible customs authorities by the production of:

(a) a single transport document covering the passage from the exporting country or territory through the country of transit; or

(b) a certificate issued by the customs authorities of the country of transit:

(i) giving an exact description of the products;

(ii) stating the dates of unloading and reloading of the products and, where applicable, the names of the ships, or the other means of transport used; and

(iii) certifying the conditions under which the products remained in the transit country; or

(c) failing these, any substantiating documents.

Article 2

Export Certificate EXP

1. Evidence of compliance with the provisions of Article 36 of this Decision shall be given by an Export Certificate EXP, a specimen of which appears in the Appendix.

2. An Export Certificate EXP shall be issued by the customs authorities of the exporting OCT on application having been made in writing by the exporter or, under the exporter's responsibility, by his authorised representative.

3. For this purpose, the exporter or his authorised representative shall fill out the Export Certificate EXP, a specimen of which appears in the Appendix. These forms shall be completed in accordance with the provisions of this Annex. If they are hand-written, they shall be completed in ink in printed characters. The description of the products must be given in the box reserved for this purpose without leaving any blank lines. Where the box is not completely filled, a horizontal line must be drawn below the last line of the description, the empty space being crossed through.

Applications for Export Certificates EXP must be preserved for at least three years by customs authorities of the exporting country or territory.

4. The exporter applying for the issue of an Export Certificate EXP shall be prepared to submit at any time, at the request of the customs authorities of the exporting OCT where the Export