# **ANNEX II**

# REFERRED TO IN ARTICLE 2.2

# RULES OF ORIGIN AND METHODS OF ADMINISTRATIVE COOPERATION

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#### Article 1

### Regional Convention on Pan-Euro-Mediterranean Preferential Rules of Origin

In respect of rules of origin and administrative cooperation between the customs authorities of the Parties, Appendix I and the relevant provisions of Appendix II of the Regional Convention on Pan-Euro-Mediterranean Preferential Rules of Origin (hereinafter referred to as the "Convention"), including its Annexes, shall apply and are hereby incorporated into and made part of the Agreement, *mutatis mutandis*.

#### Article 2

# Withdrawal from the Convention

- 1. If a Party withdraws from the Convention, the Parties shall immediately enter into negotiations on new rules of origin applicable to the Agreement.
- 2. Until new rules enter into force, Appendix I of the Convention, including its Annexes, and the relevant provisions of Appendix II, as in force at the time of export, shall continue to apply to the Agreement, *mutatis mutandis*, allowing for cumulation only between the Parties

#### Article 3

#### Notification

A Party shall immediately notify the other Parties about ratification of, withdrawal from, or reservations in respect of the Convention.

## Article 4

#### **Other Provisions**

Chapter 12 of the Agreement shall apply with respect to the settlement of any disputes concerning the interpretation or application of Appendix I to the Convention.

#### Article 5

## Transitional Provisions regarding Cumulation

- 1. Notwithstanding paragraph 5 of Article 16 and paragraph 3 of Article 21 of Appendix I to the Convention, where cumulation involves only EFTA States, Georgia, the Faroe Islands, the EU, Turkey, the participants in the Stabilisation and Association Process and the Republic of Moldova, a movement certificate EUR.1 or an origin declaration may be used.
- 2. Provided that paragraph 5 of Article 3 of Appendix I of the Convention is fulfilled, it is understood that diagonal cumulation may be applied between Contracting Parties to the Convention, regardless whether the Convention is applicable to them or not.
- 3. It is understood that, until the Convention has entered into force for all Parties to this Agreement, diagonal cumulation may only be applied between the Parties, and, subject to subparagraphs 5 (a) and (b) of Article 3 of Appendix I of the Convention, between the Parties and any Contracting Party to the Convention.