

ANNEX III

- (a) Protocol 3 of the EU-Serbia Agreement shall be replaced by:

TITLE I

GENERAL PROVISIONS

Article 1

Definitions

For the purposes of this Protocol:

- (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 a product;
- (c) ‘product’ means a 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 Agreement on implementation of Article VII of the General Agreement on Tariffs and Trade 1994;
- (f) ‘ex-works price’ means the price paid for the product ex works to the manufacturer in the United Kingdom or Serbia 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 United Kingdom or in Serbia;
- (h) ‘value of originating materials’ means the value of such materials as defined in (g) applied *mutatis mutandis*;
- (i) ‘value added’ means the ex-works price minus the customs value of each of the materials incorporated which originate in the other countries or territory referred to in Articles 3 and 4 with which cumulation is applicable or, where the customs value is not known or cannot be

ascertained, the first ascertainable price paid for the materials in the United Kingdom or in Serbia;

- (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 Protocol 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;
- (n) 'Incorporated Annexes I to IV b' mean Annexes I to IV b of Appendix I to the Regional Convention on pan-Euro-Mediterranean preferential rules of origin, as those Annexes are incorporated by Article 40 of this Protocol.

TITLE II

DEFINITION OF THE CONCEPT OF 'ORIGINATING PRODUCTS'

Article 2

General requirements

1. For the purpose of implementing this Agreement, the following products shall be considered as originating in the United Kingdom:
 - (a) products wholly obtained in the United Kingdom within the meaning of Article 5 of this Protocol;
 - (b) products obtained in the United Kingdom incorporating materials which have not been wholly obtained there, provided that such materials have undergone sufficient working or processing in the United Kingdom within the meaning of Article 6 of this Protocol.
2. For the purpose of implementing this Agreement, the following products shall be considered as originating in Serbia:
 - (a) products wholly obtained in Serbia within the meaning of Article 5 of this Protocol;