



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 15.11.2000  
COM(2000) 732 final

Proposal for a

**COUNCIL DECISION**

**on the association of the overseas countries and  
territories with the European Community  
(‘Overseas’)**

(presented by the Commission)

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## EXPLANATORY MEMORANDUM

### OCT 2000

#### Proposal for a Decision of the Council: 'Overseas'

#### 1. BACKGROUND

Council Decision 91/482/EEC of 25 July 1991 on the association of the OCTs with the EC,<sup>1</sup> as amended by Council Decision 97/803/EC of 24 November 1997<sup>2</sup> and extended by Council Decision 2000/169/EC of 25 February 2000<sup>3</sup> is applicable until 28 February 2001.

The attached proposal for a Decision is intended to succeed it with effect from 1 March 2001.

The broad lines of the new Decision were traced out by Declaration No 36 on the overseas countries and territories annexed to the Final Act of the Treaty of Amsterdam: a "Declaration concerning the Overseas Countries and Territories" was in fact inserted in the Final Act by the Conference. In it, the Intergovernmental Conference compares the development of the Community and the OCTs since 1957 and invites the Council, acting in accordance with Article 136 of the Treaty establishing the European Community, to review the association arrangements by February 2000, with a fourfold objective:

- *promoting the economic and social development of the OCTs more effectively;*
- *developing economic relations between the OCTs and the European Union;*
- *taking greater account of the diversity and specific characteristics of the individual OCTs, including aspects relating to freedom of establishment;*
- *and ensuring that the effectiveness of the financial instrument is improved".*

In the light of the above Declaration, the proposal is based mainly on the texts and the results of the consultations below:

- the resolution adopted unanimously by Parliament on 11 February 1999 on the basis of an own-initiative report of the Committee on Cooperation and Development;
- Commission communication COM(1999) 163 final of 20 May 1999 entitled "the Status of OCTs associated with the EC and options for 'OCT 2000'", in which the Commission described the OCTs and their status under Community law, discussed the basic issue of the association of the OCTs with the EC and set out the options for 2000;

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<sup>1</sup> OJ L 263, 19.9.1991, p.1.

<sup>2</sup> OJ L 329, 29.11.1997, p. 50.

<sup>3</sup> OJ L 55, 29.2.2000, p. 67.

- consultations with the four Member States to which the twenty OCTs are linked, and
- in particular, the top-level meeting with the authorities of the twenty OCTs held in Brussels on 29 and 30 April 1999 in the framework of the Commission/Member State/OCT partnership.

## **2. PRESENTATION**

Conceptually and semantically, it draws on the EC-South Africa agreement and the Cotonou Agreement with the ACP States.

As in the Cotonou Agreement, the text is condensed (67 articles instead of the 242 in the previous Council Decision) with much of the detail put in the annexes.

## **3. STRUCTURE**

The structure of the document is simple, comprising five parts:

### **I. Part One: General Provisions**

Following an initial reminder of the principles and objectives contained in Part Four of the Treaty (Articles 182 to 187), the emphasis is on the diversity of the OCTs, in particular the least developed OCTs.

Reference is made to the institutions of the trilateral partnership, to which the OCTs attach great importance.

### **II. Part Two: Areas of Cooperation**

A new item is introduced here (post-Lomé) in that development finance cooperation also covers trade in services and trade-related areas to help the OCTs adjust to the changing world economy.

### **III. Part Three: Instruments of Cooperation**

A - Title I. Development finance cooperation

The overall amounts were decided at the same time as the ACP EDF funding by the Internal Agreement concerning the 9th EDF.

Four types of resources:

- programmable allocations (OCTs and regional cooperation)
- investment facility (= Cotonou)
- additional support in the event of fluctuations in export earnings, emergency and refugee aid, supplementary allocations for the most efficient OCTs (Cotonou)

- EIB own resources loans.

Lastly, a fifth resource (budgetary) is explicitly mentioned: eligibility for general measures financed by the budget headings open to the developing countries (emergency aid, AIDS, etc.).

Both the European Parliament (11.2.1999) and the OCTs, backed by their Member States (30.4.1999), wanted:

- a special OCT fund in the budget,
- ERDF-type management.

As the 2000-2006 financial perspectives have already been adopted, the earliest starting date for the solution of a special OCT fund would be 2007.

However, it is already proposed to use the ERDF-inspired procedure for implementation of the programmable allocation ('9th EDF'). This represents a major change.

1. This innovation has been introduced, in particular, in response to the very critical comments made at the Partnership meeting in April 1999 about the implementation of the previous Association decisions. These working methods, which are modelled on ERDF procedures, are to be the subject of specific implementing provisions in the "Overseas" Decision. This proposal covers the general guidelines for such provisions, which must take particular account of the on-going reorganisation in the Commission's RELEX services.

This approach is based on the principles of partnership, complementarity and subsidiarity:

- it is implemented on the basis of development objectives, strategies and priorities adopted by the competent OCT authorities,
- it is flexible and tailored to the situation of each OCT.

The competent OCT authorities prepare and submit to the Commission a draft Single Programming Document (SPD), which is adopted by a single financing decision of the ad hoc EDF-OCT Committee once the consultation stage has been completed.

Implementation is the responsibility of the OCT concerned; the general implementing rules are established by the Commission and annexed to each SPD.

To assess the effectiveness of the Community measures, a series of audits and ex-ante, mid-term and ex-post evaluations is provided for. The OCT concerned has primary responsibility for the financial supervision of the operation, but the Commission has powers of coercion in the event of shortcomings on the part of the OCT concerned.

2. The methodological approach proposed involves the introduction of two new features:

- the "Investment Facility", reimbursable aid to promote commercially viable enterprises in the private sector or enterprises in the public sector that support the development of the private sector
- additional support in the event of fluctuation in export earnings; the support mechanism is triggered when various conditions are met.

## **B. - Title II. Economic and trade cooperation**

Trade in products, trade in services, trade-related areas.

1. The main aspects of the proposal with regard to products are:

(a) Full freedom of access, as there has been since 1991, to the EC market (unlike the ACP States) for products originating in the OCTs, subject to the special provisions for two especially sensitive CAP sectors (rice and sugar).

This is the only case in all the Community agreements, hence the importance of ACP-OCT cumulation of origin which concerns two different access regimes and has therefore given rise to flows of ACP products via the OCTs: the principle of restrictions on cumulation, thrashed out by the Council at the end of 1997, for the two sensitive products (rice and sugar) is therefore maintained. The proposal also involves setting aside a quota for the least-developed OCTs within the quantity limit on rice (160 000 t) and opening a tariff quota for butter.

These changes take due account of experience acquired since the adoption of Decision 91/482/EC. It has been difficult to achieve a balance between the principle of free access to the Community market for OCT products on the one hand and the objectives of the common agricultural policy on the other. In some cases, the Commission and the Council have had to impose safeguard measures, which in turn have generated a large number of legal actions in the Court of Justice or the Tribunal of First Instance (more than 30 cases to date).

The Commission considers that a long term solution for this problem can be found by granting market access subject to certain pre-determined conditions, rather than by preserving a theoretically completely free regime, subject to the risk of exceptional safeguard measures. Such an approach would in particular guarantee operators stable and predictable market access conditions.

For the moment, the OCTs may maintain customs duties (non-discriminatory and most favoured nation, except vis-à-vis other developing countries). This situation might be subject to a joint review in the negotiations on the establishment of the regional free trade agreements provided for in the Cotonou Agreement, in particular with regard to relations between the OCTs and some of the Community's outermost regions.

(b) Apart from the restrictions on cumulation decided in 1997, origin rules have not changed since 1985. Since the Essen European Council, they have been subject to the general harmonisation of preferential rules of origin basically

involving a new, simplified and modernised presentation designed to keep up with technological change.

In a few cases the proposed changes consist of new procedures (invoice declarations as proof of origin) as well as some improvements (minimum operations) designed to encourage traders who make a genuine contribution to local development.

Minimal operations do not actually confer OCT origin and, moreover, are excluded from cumulation. The list of minimal operations has been updated accordingly to take account of the objectives of local development and origin rule harmonisation.

Finally, it is also proposed to align the procedure for the technical up-dating of rules of origin on the procedure laid down in the Customs Code for other preferential arrangements.

(c) Free access to the EC market for non-originating products in free circulation in the OCTs after the EC customs duty has been paid in the OCT concerned (known since 1991 as transshipment).

This development instrument was invented in 1991 and is unique to the OCTs, consisting of a budget transfer to the OCT budget (and a shortfall to be made good in the EC budget). But, as some OCTs are suspected of having refunded some of the customs duties to operators or granting them transport subsidies to compensate their distance from the EC market, a 'state aids'-type clause has been added: the Commission may authorise 'state' aid or OCT aid in exceptional cases subject to a committee opinion.

2. On trade in services, besides the fact that it will come under development finance cooperation, as mentioned above, the arrangements for establishment and the provision of services are the main feature:

- the Community may not discriminate between OCTs;
- the OCTs may not discriminate between Member States;
- OCTs may give preference to their inhabitants; the clause requiring the Commission's prior approval has been deleted: this principle can be seen as the corollary of allowing the OCTs to maintain customs duties on EC products.

As in the past, the Community may not discriminate against OCT companies, firms or nationals on its market with the rider that this 'national treatment' is granted to them only in the context of undertakings entered into under GATS to avoid the Community being forced to extend such favourable treatment across the board to all WTO members. Likewise, to help OCTs which have entered into undertakings under GATS avoid the same pitfall, it is clearly stated that non-discrimination against Community companies, firms and nationals on the OCT markets is without prejudice to any such undertakings under GATS.

In the field of trade in services, the new references to GATS will have the effect of bringing the Decision into line with OCT rules. Although they depart somewhat from the principle of non-discrimination as set out in the Treaty (Article 183(5)), that principle only in fact applies, according to the same Article, subject to special provisions adopted by the Council which has already allowed exceptions to it in favour of OCTs allowing them to give preference to their own nationals (see third indent above).

On the subject of trade in goods, the Treaty provides for the abolition of customs duties in EC-OCT trade while at the same time allowing the OCTs to levy duties which meet the needs of their development and industrialisation or produce revenue for their budgets.

The issue of the Association's compatibility with WTO rules is of particular concern as the Community has reaffirmed its solidarity with the OCTs and also expressed the importance it attaches to undertakings entered into under the WTO. The question must therefore be seen in this dual perspective.

Even if the OCTs could waive the customs duties which the Treaty allows them to levy, the sudden introduction of reciprocity under this new proposal would be inappropriate. On political, if not legal grounds (see CJEC judgments), the OCTs can claim treatment that is no less favourable than that accorded to the ACP States. Given as well that the OCTs are small vulnerable islands, it is better to wait until the end of the preparatory Cotonou period before broaching the question of reciprocity in EC-OCT trade

Such a review will have to take account of changes in EC-ACP trade arrangements. The inclusion of some OCTs - far from being an option for all of them - in future economic partnership agreements between ACP States and the EC might be one scenario requiring a review of the Decision.

#### **IV. Part Four: Rights of individuals**

This covers features specific to the OCTs in the light of various legal cases or "internal" policies already open to OCT nationals since 1991: certain Community programmes (e.g. Erasmus, Socrates), Euro-Info Correspondence Centres, EU citizenship for nationals having full citizenship of a Member State, etc.

#### **V. Part Five: Final provisions**

In view of the substantial changes foreseen for the association arrangement after 2006, such as the move to budgetary funding and the anticipated negotiation of the ACP/EC free trade agreements, it is proposed that the new Decision should apply until 31 December 2007, when the 9th EDF also expires.

Lastly, a review clause has been added so that there is prior agreement on the eventual need to bring the rules on trade and services into line with the WTO (see III above).

For these reasons, the Commission submits the attached proposal to the Council for adoption.

Proposal for a

**COUNCIL DECISION**

**on the association of the overseas countries and territories with the European Community ('Overseas')**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, hereinafter referred to as the Treaty, and in particular Article 187 thereof,

Having regard to the proposal from the Commission,<sup>4</sup>

Whereas:

- (1) Council Decision 91/482/EEC of 25 July 1991 on the association of the overseas countries and territories, hereinafter referred to as the 'OCT', with the EEC,<sup>5</sup> as amended by Council Decision 97/803/EC of 24 November 1997 and extended by Council Decision 2000/169/EC of 25 February 2000,<sup>6</sup> is applicable until 28 February 2001. Article 240(4) thereof states that the Council, acting unanimously on a proposal from the Commission, shall establish the provisions to be laid down for the subsequent application of the principles set out in Articles 182 to 186 of the Treaty.
- (2) Declaration No 36 concerning the OCT, annexed to the final act of the Amsterdam Conference, invites the Council, acting in accordance with Article 187 of the Treaty, to review the association arrangements with the OCTs with a fourfold objective:
  - promoting the economic and social development of the OCTs more effectively;
  - developing economic relations between the OCTs and the European Union;
  - taking greater account of the diversity and specific characteristics of the individual OCTs, including aspects relating to freedom of establishment;
  - and ensuring that the effectiveness of the financial instrument is improved.

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<sup>4</sup>

<sup>5</sup> OJ L 263, 19.9.1991, p. 1.

<sup>6</sup> OJ L 55, 29.2.2000, p. 67.

- (3) On 11 February 1999 the European Parliament adopted a resolution on relations between the OCTs, the ACP States and the outermost regions of the European Union<sup>7</sup> on the basis of the report by the Committee on Development and Cooperation.<sup>8</sup>
- (4) In its communication of 20 May 1999 entitled "the Status of OCTs associated with the EC and options for 'OCT 2000'",<sup>9</sup> the Commission examined the features and the development of the OCT-EC association since 1957, noted the basic principles and the current situation of the association and sketched out alternative policies for it for the period beginning 1 March 2000.
- (5) In accordance with Article 10 of Decision 91/482/EEC, the competent OCT authorities informed the Commission of the amendments or additions they desired in future, notably at a meeting held in the context of the partnership on 29 and 30 April 1999, attended by the Commission, the four Member States to which the OCTs are linked and the 20 OCTs concerned.
- (6) The second paragraph of Article 182 of the Treaty states that the twofold aims of the association of the OCTs with the Community are to promote the economic and social development of the countries and territories and to establish close economic relations between them and the Community as a whole.
- (7) The third paragraph of Article 182 of the Treaty adds that the "purpose of the association shall be to further the interests and prosperity of the inhabitants of these countries and territories in order to lead them to the economic, social and cultural development to which they aspire".
- (8) Article 183 of the Treaty also lists the objectives of the association, referring in particular to trade, the financial contributions of Member States to the development of the OCTs and the rights of individuals.
- (9) Though not third countries, the OCTs do not form part of the single market and must comply with the obligations imposed on non-member countries in respect of trade, notably rules of origin, health and plant health standards and safeguard measures, as the Court of Justice of the European Communities has confirmed.
- (10) As a general rule, when the Council adopts measures under Article 187 of the Treaty, it must take account both of the principles laid down in Part Four of the Treaty and of the other principles of Community law.<sup>10</sup> It should also take account of experience acquired in the implementation of the trade arrangements of Decision 91/482/EEC.
- (11) These arrangements provide for duty-free access for products originating in the OCTs and rules of origin allowing cumulation with products originating in the ACP States, which are subject to different arrangements, or in the Community. This causes or threatens to cause serious disruption to the functioning of certain

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<sup>7</sup> PE 276.723.

<sup>8</sup> PE 228.210, 1.12.1998.

<sup>9</sup> COM (1999) 163 final, 20.5.1999, volumes I and II.

<sup>10</sup> Judgment of the Court of 8.2.2000, Case C-17/98, point 38.



common market organisations under the common agricultural policy, in particular those for rice and sugar. Such disruption has on a number of occasions led the Commission and the Council to adopt safeguard measures.

- (12) By limiting the scope for use of cumulation of origin, the changes made in relation to rice at the mid-term review of the Decision<sup>11</sup> have helped maintain access for OCT products to the Community market on terms conducive to its balance.
- (13) However, as regards sugar, the rise in OCT exports made from sugar of ACP or Community origin to a heavily oversupplied market has resulted in a greater reduction in the quota for Community producers and therefore a greater loss of guaranteed income for them.
- (14) The market surplus situation means that any additional imported quantity causes disruption on the market and impacts on both producers and the Community budget. It is impossible to tell when this situation can be remedied and when additional imports can take place without the risk of disruption.
- (15) Moreover, in view of the minimal, low value-added operations that currently suffice to obtain the status of a product originating in the OCTs in the sugar sector, the contribution of these exports to the development of the territories can only be small at best and, without a doubt, out of all proportion to the disruption caused to the Community sectors concerned.
- (16) For the above reasons, origin rules should therefore be adopted which exclude the possibility of ACP/OCT/EC cumulation for sugar.
- (17) Provision should also be made to ensure that Community products enjoying financial benefits to encourage their export outside the Community cannot be re-imported by means of the cumulation procedure.
- (18) Furthermore, all the OCT rules of origin should be updated, in the interests of the operators and administrations concerned, to take account of technical progress and the policy adopted by the Community of origin-rule harmonisation. Likewise, the procedure should be simplified to enable the necessary technical amendments to the rules to be made more easily in future.
- (19) The OCTs are not part of the Community territory and secondary legislation derived from the Treaty does not therefore apply in them, barring express provisions to the contrary. OCT nationals and products within the Community must nevertheless comply with the Community rules in force.
- (20) Most OCT nationals are citizens of the Union and must accordingly enjoy the advantages and comply with the obligations that apply to citizenship thereof, notwithstanding specific provisions adopted in that regard.
- (21) In the interests of efficiency, simplification and recognition of the management capacities of the OCT authorities, the financial resources granted to the OCTs

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<sup>11</sup> Council Decision 97/803/EC, OJ L 329, 29.11.1997, p. 50.

should be managed more on the basis of partnership by applying procedures based on the rules in force for the structural funds.

- (22) For this purpose, the procedures delegate the main responsibility for programming and implementing cooperation to the OCTs in particular. Cooperation will be conducted predominantly in conformity with OCT territorial regulations and will underpin Community and in particular Commission support for the monitoring, evaluation and audit of the operations programmed.
- (23) Global changes, reflected in the continuing process of trade liberalisation, broadly implicate the Community, the OCTs' principal trading partner, as well as their ACP neighbours and other economic partners. In the market access equation, the level of tariffs plays an increasingly reduced role while trade in services and trade-related areas assume an ever greater importance in the relationship between the OCTs and their economic partners. That relationship should therefore be fostered, while retaining the broad outline of the current trade arrangements, and the conditions for the gradual integration of those OCTs who so wish into the regional and global economy simplified by helping them to increase their capacity to handle all these new areas.
- (24) This Decision must be without prejudice to any obligations entered into by the OCTs or on their behalf within the WTO framework. Account should also be taken of the great importance to the Council of the undertakings entered into in the context of the WTO and the coherence between them and this Decision.
- (25) In accordance with Article 2 of Council Decision 1999/468/EC of 28 June 1999, laying down the procedures for the exercise of implementing powers conferred on the Commission, the measures necessary for the implementation of this Decision should be adopted by use of the management procedure provided for in Article 4 of that Decision. However, as this concerns the implementation of the 9th EDF, the voting and the majority must be as laid down in Article 21 of the Internal Agreement between representatives of the Governments of the Member States, meeting within the Council, on the financing and administration of Community Aid under the Financial Protocol to the Partnership Agreement between the African, Caribbean and Pacific States and the European Community and its Member States signed in Cotonou (Benin) on 23 June 2000 and the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the EC Treaty applies,<sup>12</sup> hereinafter the "Internal Agreement".
- (26) The measures necessary for the implementation of Article 27(2) shall be adopted by use of the consultative procedure laid down in Article 3 of Decision 1999/468/EC.
- (27) The measures necessary for the implementation of Annex III shall be adopted by use of the procedure laid down in Article 249 of Regulation (EC) No 2913/92 of 12 October 1992 establishing the Community Customs Code.<sup>13</sup>

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<sup>12</sup> Doc.10688/00 ACP 114 FIN 313 PTOM 21 OJ L...p.....

<sup>13</sup> OJ L 302, 19.10.1992, p.1.

- (28) In accordance with Council Decision 1999/95/EC of 31 December 1998,<sup>14</sup> the euro is the currency of St Pierre and Miquelon and Mayotte;
- (29) The Council must produce an innovative response to all the abovementioned new factors which is both consistent and tailored to the variety of situations. A new status for the association, known as 'Overseas', can provide such a response,

HAS DECIDED AS FOLLOWS:

## **PART ONE**

### **GENERAL PROVISIONS OF THE ASSOCIATION**

#### **OF THE OCTs WITH THE EC**

##### **CHAPTER 1**

##### **GUIDELINES**

###### *Article 1*

###### Aim, objectives and principles

1. The association of the OCTs with the EC shall be based on the aim set out in Article 182 of the Treaty, namely to promote the economic and social development of the OCTs and to establish close economic relations between them and the Community as a whole.

It shall pursue the objectives laid down in Article 183 of the Treaty in accordance with the principles set out in Articles 184 to 188 of the Treaty by focusing on the reduction and eventual eradication of poverty and on sustainable development and gradual integration into the regional and world economies.

2. The association relates to the OCTs listed in Annex IA.

3. In accordance with Article 188 of the Treaty, this Decision shall apply to Greenland subject to the specific provisions set out in the Protocol on the special arrangements for Greenland annexed to the Treaty.

###### *Article 2*

###### Basic elements

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<sup>14</sup> OJ L 30, 4.2.1999.

1. The OCT-EC association shall be based on the principles of liberty, democracy, respect for human rights and fundamental freedoms and the rule of law. These principles, on which the Union is founded in accordance with Article 6 of the Treaty on European Union, shall be common to the Member States and the OCTs linked to them.
2. Within the limits of the powers conferred upon the Community by the Treaty, any measures decided by the Council on the basis of Article 13 thereof with a view to combating discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation, shall be applicable, *mutatis mutandis*, to the OCTs in the areas of cooperation to which this Decision refers.
3. The Member States to which the OCTs are linked shall be responsible for ensuring that the principles referred to in paragraphs 1 to 3 above are complied with in their territories.
4. The Member States shall cooperate with the Commission to ensure that Community funds are used in accordance with the principles of sound financial management.

### *Article 3*

#### The least-developed OCTs

1. The Community shall accord special treatment to the least-developed OCTs and to those unable to take advantage of the regional cooperation and integration referred to in Article 16.
2. To respond to such difficulties, development finance cooperation shall comprise, *inter alia*, special treatment when determining the volume of financial resources and the conditions attached thereto in order to enable the least-developed OCTs to overcome structural and other obstacles to their development. It shall pay special attention to improving the living conditions of the poorest sections of the population in the context of poverty alleviation.
3. The OCTs considered the least developed for the purposes of this Decision are listed in Annex IB. This list shall be amended by decision of the Council, acting unanimously on a proposal from the Commission, where the economic situation of an OCT undergoes a significant and lasting change, necessitating its inclusion in the category of least-developed OCTs or where its inclusion in that category is no longer warranted.

## CHAPTER 2

### THE INSTITUTIONAL FRAMEWORK:

#### TRILATERAL PARTNERSHIP AND BILATERAL MANAGEMENT

##### *Article 4*

##### Trilateral partnership

1. With the aim of enabling the OCT authorities to take a full part in the application of the principles of the EC-OCT association, while respecting the powers of the respective authorities of the Member States concerned, the association shall use a consultation procedure based on the principle of partnership between the Commission, the Member State and the OCTs.

This trilateral consultation shall hereinafter be referred to as the 'partnership'.

2. The partnership shall deal with all issues of principle arising from relations between the OCTs and the Community.

3. The following two bodies shall be established to this end:

(a) OCT association working parties having an advisory capacity and comprising the three partners referred to above may be convened at the request of one of the three partners on a regional basis or by group of OCTs linked to a particular Member State.

The working parties may be set up on an ad hoc basis with whatever membership is the most appropriate to deal with specific matters.

(b) An OCT-EU forum for dialogue, hereinafter referred to as the 'OCT Forum', shall meet annually to bring together OCT authorities, representatives of the Member States to which the OCTs are linked and the Commission.

The other Member States shall be informed of the proceedings of the annual OCT Forum meetings. Such information shall be provided:

- before the meeting: the Commission shall send the agenda;
- after the meeting: the Commission shall draw up a report on the proceedings.

These other Member States may, where appropriate, be represented at the meeting if one of the items on the agenda is of particular interest to them.

4. The Commission shall chair the working parties and the OCT Forum and provide the secretariat.

A representative of the European Investment Bank, hereinafter referred to as the 'Bank', shall be present at meetings when matters concerning it are on the agenda.

5. The opinions of the working parties and the OCT Forum shall, where appropriate, be the subject of Commission decisions, within the limits of its powers, or of proposals from the Commission to the Council with a view to implementation of new elements of the OCT-EC association or its amendment on the basis of Article 187 of the Treaty.

#### *Article 5*

##### ACP-EC Joint Assembly

The competent OCT authorities shall be informed of the agenda, resolutions and recommendations of the ACP-EC Joint Assembly.

At the request of these authorities, the Joint Assembly may invite members of the OCT parliaments as observers to its biannual plenary sessions.

#### *Article 6*

##### Bilateral management

The Commission and the competent OCT authorities shall ensure the routine management of this Decision on a bilateral basis, notably as regards development finance cooperation and cooperation in the area of trade and services.

The Member States to which the OCTs are linked shall inform the Commission within three months of the entry into force of this Decision of the competent national or local authorities referred to in the various articles of the Decision.

### **CHAPTER 3**

#### **THE ACTORS**

#### *Article 7*

##### Principles

1. The OCT authorities shall assume primary responsibility for the formulation of development strategies and the preparation of cooperation programmes together with the Community and the Member State to which the OCT is linked.
2. The Community shall recognise that local public and private actors play a key role in achieving the objectives listed in Article 183 of the Treaty.

3. In implementing these guidelines the parties shall have as their guiding principles transparency, subsidiarity and the need for efficiency.

#### *Article 8*

##### The different actors involved

1. The actors of development shall include in particular:

- the OCT authorities;
- the local authorities within the OCTs;
- civil society, social, business and trade associations, public service providers and local, national or international NGOs.

2. The recognition of non-governmental actors shall depend on their capacity to meet the needs of the local population, their expertise and their having democratic and accountable organisation and management.

3. Non-governmental actors shall be identified by agreement between the relevant OCT authorities and the Community taking into account the subject concerned, their expertise and field of activity. The process of identification shall be conducted in each OCT as part of the process for preparing and implementing cooperation strategies.

#### *Article 9*

##### Responsibilities of the actors

For the purposes of implementing the objectives listed in Article 183 of the Treaty, non-governmental actors identified pursuant to Article 8(3) may play a role in:

- information and consultation;
- the preparation and implementation of cooperation programmes;
- decentralised cooperation in the context of responsibilities delegated for the purpose of supporting local development initiatives.

## **PART TWO**

# **THE AREAS OF EC-OCT COOPERATION**

### *Article 10*

#### The areas

The Community shall contribute to the development of those areas in the OCTs listed in this Title in accordance with the priorities established in the development strategies for each OCT or, where appropriate, in the form of regional measures.

### *Article 11*

#### Productive sectors

Cooperation shall support sectoral policies and strategies that facilitate access to productive activities and resources, in particular :

- (a) Agriculture: agricultural policy and institution building, diversification, irrigation, seed multiplication, crop protection measures, fertiliser production, equipment, agro-processing, livestock and cattle breeding, animal husbandry, extension and research; marketing; storage and transportation; food security; agricultural credit; land settlement and reform, land use and registration policy, technology transfer, irrigation and drainage infrastructure, other support services.
- (b) Forestry: forestry policy and institution building, including use of trees to conserve the environment in erosion and desertification control; afforestation; forest management, including the rational utilisation and management of timber exports; issues relating to tropical rain-forests; research and training.
- (c) Fisheries: fishing policy and institution building, fish stock protection and rational management of fish stocks; fish farming and artisanal fisheries; fishery transport; cold storage and fish marketing and preservation.
- (d) Rural development: rural policy and institution building, integrated rural development projects/programmes; assistance and projects targeted at people, production and marketing in rural areas; rural infrastructure.
- (e) Industry: sectoral policy and institution building; craft industries; agro-industries and other manufacturing sectors, transport equipment industry; technological research and development; quality control; development and expansion of SME and micro-enterprises.
- (f) Mining: sectoral policy and institution building, technological research and development; small-scale mining, etc.



- (g) Energy: energy policy and institution building; power generation (non-renewable and renewable); efficient use of energy resources; energy research and training; encouraging private sector involvement in power generation and distribution.
- (h) Transport: transport policy and institution building; transport by road, rail, air, sea or inland waterway and storage facilities.
- (i) Communication: communication policy and institution building; telecommunications and media.
- (j) Water: water policy and institution building; protecting water resources, waste management, water supplies in rural and urban areas for domestic, industrial or agricultural purposes; storage, distribution and management of water resources.
- (k) banking, finance and business services: financial sector policy and institution building, business services; privatisation, equity participation and marketing; support to trade, commerce and business associations (including export promotion agencies); financial and banking institutions.
- (l) technology development and application: policy and institution building; concerted action at local, national and/or regional level for the promotion of science and technology activities and their application to production and promotion of computer literacy in the public and private sectors.

## *Article 12*

### Trade development

1. The Community shall implement measures for the development of trade at all stages up to final distribution of the product.

The object is to ensure that the OCTs derive the maximum benefit from the provisions of this Decision and may participate under the most favourable conditions in the Community, domestic, sub-regional, regional and international markets by diversifying the range and increasing the value and the volume of OCT trade in goods and services.

2. In addition to developing trade between the OCTs and the Community, particular attention shall be given to operations designed to increase the OCTs' self-reliance and improve regional cooperation in trade and services.
3. Within the instruments provided for in this Decision and in accordance with the provisions set out in relation thereto, operations shall be undertaken at the request of the competent OCT authorities, particularly in the following areas:
  - (a) support for the definition of appropriate macroeconomic policies necessary for trade development;

- (b) support for the creation or reform of appropriate legal and regulatory frameworks as well as for the reform of administrative procedures;
  - (c) the establishment of coherent trade strategies;
  - (d) support for OCTs in developing their internal capacities, information systems and awareness of the role and importance of trade in economic development;
  - (e) support for strengthening the infrastructure related to trade and in particular support for the OCTs' efforts to develop and improve supportive service infrastructure, including transport and storage facilities, in order to ensure their effective participation in the distribution of goods and services and in order to enhance the flow of exports from the OCTs;
  - (f) development of human resources and professional skills in the field of trade and services, in particular in the processing, marketing, distribution and transport sectors for the Community, regional and international markets;
  - (g) support to private sector development and, in particular, to small and medium-sized enterprises for product identification and development, market outlets and export-oriented joint ventures;
  - (h) support for OCT actions aimed at encouraging and attracting private investment and joint venture operations;
  - (i) the establishment, adaptation and strengthening of organisations in the OCTs dealing with the development of trade and services, particular attention being paid to the special needs of organisations in the least-developed OCTs;
  - (j) support for OCTs aiming to improve the quality of their products, adapt them to market requirements and diversify their outlets;
  - (k) support for OCT efforts to penetrate third country markets more effectively;
  - (l) market development measures including increasing contacts and exchange of information between economic operators in OCTs, ACP States, the Member States of the Community and in third countries;
  - (m) support for OCTs in the application of modern marketing techniques in production-oriented sectors and programmes, in particular in areas such as rural development and agriculture;
  - (n) the establishment and development of insurance and credit institutions in the field of trade development.
4. Support for OCTs' participation in trade fairs, exhibitions and trade missions should be carried out only where such events form an integral part of overall trade and market development programmes.

5. Participation of the least-developed OCTs in various trade activities shall be encouraged by special provisions, *inter alia*, the payment of travel expenses of personnel and costs of transporting exhibits, on the occasion of their participation in local, regional and third-country fairs, exhibitions or trade missions, including the cost of the temporary construction and/or renting of exhibition booths and stalls. The least-developed OCTs shall be granted special aid to assist in the preparation and/or purchase of promotional materials.

### *Article 13*

#### Trade in services

1. The Community agrees to develop and finance infrastructure and human resources in accordance with the priorities established under the development strategies for each OCT.
2. The Community shall contribute to the development and promotion of cost-effective and efficient maritime transport services in the OCTs, by:
  - (a) promoting the efficient shipment of cargo at economically and commercially meaningful rates;
  - (b) implementing good policies and competition rules;
  - (c) facilitating greater OCT participation in international shipping services;
  - (d) encouraging regional programmes of maritime transport and trade development;
  - (e) increasing local private sector involvement in shipping activities.

The Community and the OCTs undertake to promote shipping safety, security of crews and the prevention of pollution.

3. The Community shall step up cooperation with the OCTs so as to ensure regular improvement and growth in air traffic, promote trade, tourism and the export of agricultural products with high economic value to the EU market.

This will involve:

- (a) examining all means of reforming and modernising the OCT air transport industries;
- (b) promoting their commercial viability and competitiveness;
- (c) encouraging higher levels of private sector investment and participation and a greater exchange of knowledge and good business practice;
- (d) providing passengers and exporters in all countries with access to global air transport networks.

4. Safety must be ensured in the air transport sector and the relevant international standards introduced and implemented.

To that end, the Community shall assist the OCTs, in accordance with the provisions set out in this Decision, to:

- (a) implement air navigation safety systems, including the CNS/ATM system;
  - (b) implement airport security and strengthen the capacity of civil aviation authorities to manage all aspects of operational security placed under their control;
  - (c) develop infrastructures and human resources;
  - (d) ensure that any measures taken in this field are based on advice from the relevant international organisations and that they will be effective and sustainable in the long term.
5. Proper attention must be paid to minimising the environmental impact of air transport, in particular by means of appropriate environmental impact studies.
6. In many aspects of air transport, regional solutions may offer scope for greater cost effectiveness and economies of scale. To that end, the Community undertakes to support and encourage actions on a regional level where appropriate.
7. Since telecommunication and active participation in the information society are prerequisites for the successful integration of the OCTs into the world economy, the Community and the OCTs therefore reconfirm their respective commitments under existing multilateral agreements, in particular the WTO Agreement on Basic Telecommunications.
8. The Community shall support the efforts of the OCTs, in accordance with the provisions set out in this Decision, to increase their capacity in this field. Cooperation shall, *inter alia*, extend to the following areas:
  - (a) promoting consultations between competent telecommunications bodies in the OCTs and the Community with a view to encouraging development of a competitive telecommunications environment bringing rates closer to costs;
  - (b) establishment of a dialogue on different aspects of the information society, including regulatory aspects and communications policy;
  - (c) information exchanges and possible technical assistance on regulation, standardisation, conformity testing and certification of information and communications technologies and the use of frequencies;
  - (d) dissemination of new information and communications technologies and the development of new facilities, particularly in relation to interconnection of networks and interoperability of applications;

- (e) promotion and implementation of joint research in the field of new technologies related to the information society;
  - (f) design and implementation of programmes and policies to raise the awareness of the economic and social benefits deriving from the information society.
9. Cooperation shall, in particular, be directed towards greater complementarity and harmonisation of communication systems at local, national, regional, inter-regional and international level and their adaptation to new technologies.
10. The Community shall support measures and operations to develop and support tourism. These measures shall be implemented at all levels, from the identification of the tourist product to the marketing and promotion stage.

The aim shall be to support the efforts of the relevant authorities of the OCT to derive maximum benefit from local, regional and international tourism in view of tourism's impact on economic development and to stimulate private financial flows from the Community and other sources into the development of tourism in the OCTs. Particular attention shall be given to the need to integrate tourism into the social, cultural and economic life of the people, as well as to respect for the environment.

Specific tourism development measures shall be aimed at the definition, adaptation and development of appropriate policies at local, regional, sub-regional and international levels. Tourism development programmes and projects shall be based on these policies on the basis of the following four components:

- (a) human resource and institutional development, *inter alia*:
  - professional management development in specific skills and continuous training at appropriate levels in the private and public sectors to ensure adequate planning and development;
  - establishment and strengthening of tourism promotion centres;
  - education and training for specific segments of the population and public/private organisations active in the tourism sector, including personnel involved in sectors that support tourism;
  - inter-OCT and OCT-ACP cooperation and exchanges in the fields of training, technical assistance and the development of institutions.
- (b) The development of products including, *inter alia*:
  - identification of the tourism product, development of non-traditional and new tourism products, adaptation of existing products including the preservation and development of cultural heritage, ecological and environmental aspects, management, protection and conservation of flora and fauna, historical, social and other natural assets, development of ancillary services;

- promotion of private investment in the OCTs' tourist industries, including the creation of joint ventures;
  - production of crafts of a cultural nature for the tourist market.
- (c) market development including, *inter alia*:
- assistance for the definition and execution of objectives and market development plans at local, sub-regional, regional and international levels;
  - support for the OCTs' efforts to gain access to services for the tourist industry such as central reservation systems and air traffic control and security systems;
  - marketing and promotional measures and materials in the framework of integrated market development plans and programmes with a view to improved market penetration, aimed at the main generators of tourism flows in traditional and non-traditional markets as well as specific activities such as participation at specialised trade events, such as fairs, production of quality literature, films and marketing aids;
- (d) research and information including, *inter alia*:
- improving tourism information and collecting, analysing, disseminating and utilising statistical data;
  - assessment of the socio-economic impact of tourism on the economies of the OCT with particular emphasis on the development of linkages to other sectors in the OCT and the surrounding regions, such as food production, construction, technology and management.

#### *Article 14*

##### Trade-related areas

1. The Community shall help reinforce, within the development strategies of each OCT, the capacity of the OCTs to handle all areas related to trade, including where necessary improving and supporting the institutional framework.
2. The Community shall cooperate with the OCTs in the introduction of the general principles on protection and promotion of investments.
3. The Community shall also help to reinforce cooperation with the OCTs with a view to formulating and supporting effective competition policies with the appropriate competition agencies that progressively ensure the efficient enforcement of the competition rules by both private and state enterprises. Cooperation in this area shall, in particular, include assistance in the drafting of an appropriate legal framework and its administrative enforcement with particular reference to the least developed OCTs.

4. The Community shall continue to foster cooperation with the OCTs and extend it, in particular, to the following areas:
  - (a) the preparation of laws and regulations for the protection and enforcement of intellectual property rights, the prevention of the abuse of such rights by rightholders and the infringement of such rights by competitors, the establishment and reinforcement of local, national and regional offices and other agencies including support for regional intellectual organisations involved in enforcement and protection, including the training of personnel;
  - (b) the conclusion of agreements aimed at protecting trademarks and geographical indications for products of particular interest.
5. The Community shall assist the OCTs in their efforts with regard to standardisation and certification aimed at promoting compatible systems between the Community and the OCTs. Cooperation shall comprise the following in particular:
  - (a) measures to promote greater use of international technical regulations, standards and conformity assessment procedures, including sector-specific measures, in accordance with the level of economic development of the OCTs;
  - (b) cooperation in the area of quality management and assurance in selected sectors of importance to the OCTs;
  - (c) support for OCT capacity building initiatives in the fields of conformity assessment, metrology and standardisation;
  - (d) developing links between OCT and European standardisation, conformity assessment and certification institutions.
6. The Community shall help strengthen cooperation with the OCTs with regard to human, animal and plant health measures with a view to building public and private sector capacity in this area.
7. Bearing in mind the Rio Principles and with a view to reinforcing the mutual supportiveness of trade and environment policies, the Community shall enhance cooperation with the OCTs. The aim of cooperation shall in particular be to:
  - (a) establish coherent local, national, regional and international policies;
  - (b) reinforce quality controls of goods and services related to the environment;
  - (c) improve environment-friendly production methods in relevant sectors.
8. The Community shall cooperate with the OCTs in relation to labour standards. Cooperation in this area shall mainly consist of:
  - (a) exchanges of information on respective labour laws and regulations;
  - (b) assistance in the formulation of labour legislation and strengthening of existing legislation;

- (c) educational and awareness-raising programmes (aimed at eliminating child labour);
  - (d) enforcement of labour legislation and regulations.
9. The Community shall cooperate with the OCTs in the area of consumer policy and consumer health protection by:
- (a) improving institutional and technical capacity in this area;
  - (b) establishing rapid-alert systems of mutual information on dangerous products;
  - (c) exchanging information and experiences on the establishment and operation of post-market surveillance of products and product safety;
  - (d) improving information provided to consumers on prices, characteristics of products and services offered;
  - (e) encouraging the development of private consumer associations and contacts between consumer-interest representatives;
  - (f) improving compatibility of consumer policies and systems;
  - (g) notifying enforcement of the legislation and promoting cooperation in investigating harmful or unfair business practices;
  - (h) implementing exports prohibitions on the trade of goods and services the marketing of which has been prohibited in their country of production.

### *Article 15*

#### Social sectors

1. The Community shall contribute, within the development strategies of each OCT, to human and social development measures. Cooperation could in particular support programmes in the following sectors.
2. Education policy and institution building (buildings and materials); language and teacher training; primary education; secondary education and vocational training; higher education (including sector-specific education activities, e.g. agricultural training).
 

In education, the focus should be on widening access to and improving the quality of basic education by constructing more schools, rehabilitating existing classrooms and providing educational materials, teacher training, and bursaries for poor students.
3. Health sector reform activities, health policy and institution building; medical education, training and research, health infrastructure; HIV/AIDS; etc.



In the health sector, projects should help to provide primary and preventive care services, particularly family planning and child and maternal health services, etc.

4. Population policy and family planning; mother and child care, including support for projects on the nurturing and development of the next generation - the children.
5. Increase the efficiency of policies to prevent the production, distribution and trafficking of all kinds of drugs, narcotics and psychotropic substances, preventing and reducing drug abuse, taking into account work done in this context by international bodies.

Cooperation shall comprise the following:

- (a) training, education, health promotion and rehabilitation of addicts, including projects for the reintegration of addicts into work and social environments;
  - (b) measures to encourage alternative economic opportunities, for example programmes for the alternative development of areas used for the illicit production of narcotic plants, linked to effective enforcement measures;
  - (c) technical, financial and administrative assistance relating to the monitoring of precursors trade, and the establishment of standards equivalent to those adopted by the Community and international authorities concerned, notably by the ex-Chemical Action Task Force;
  - (d) technical, financial and administrative assistance relating to the prevention, treatment and reduction of drug abuse;
  - (e) technical assistance and training, and the establishment of standards to prevent money laundering equivalent to those adopted by the Community and other international bodies, in particular the ex-Financial Action Task Force (FATF);
  - (f) exchange of relevant information for the implementation of points 1 to 5.
6. Water policy and institution building; water resources protection; waste management (water for agriculture or energy will be covered under the relevant sector) etc.

In the water supply and sanitation sector, the aim should be to provide services in under-served areas. Funding that supports increasing access to drinking water supply and sanitation services contributes directly to human resources development by improving the state of health (and thus increasing the productivity) of people who do not already have access to these services; the continuing need to extend basic services in water, sanitation, and transport to both urban and rural populations must be addressed in environmentally sustainable ways.

7. The Community shall cooperate with the OCTs in the sustainable use and management of their biodiversity resources.

Cooperation in this area may, in particular, extend to:

- (a) supporting the elaboration, updating and implementation of national biodiversity strategies and action plans;
  - (b) facilitating the establishment of local, regional and sub-regional mechanisms for the exchange of information and the monitoring and assessment of progress in the implementation of the Convention on Biological Diversity (CBD);
  - (c) developing and maintaining up-to-date databases on OCT biodiversity resources;
  - (d) implementing appropriate measures relating to the access of biodiversity/genetic resources;
  - (e) promoting the conclusion of agreements with the private sector for the use of the country's genetic resources, so that local communities may effectively benefit from the economic revenue derived from such agreements and so that the use of genetic resources does not harm the protection and conservation of the biodiversity;
  - (f) assisting the OCTs to participate actively in the policy-making process and negotiations under the CBD.
8. Housing and integrated urban development projects and programmes, etc.

In urban development, efforts should focus on building or rehabilitating roads and other basic infrastructure, including low-income housing.

### *Article 16*

#### Regional cooperation and integration

Cooperation shall ensure that effective aid is provided in order to achieve the objectives and priorities established by the competent OCT authorities in the framework of regional and sub-regional cooperation and integration.

1. Regional cooperation shall cover operations agreed on between:

- two or more or all OCTs;
- one or more OCTs and one or more neighbouring ACP or non-ACP States;
- one or more OCTs and one or more ACP States or one or more of the most remote regions referred to in Article 299(2) of the Treaty (Guadeloupe, Guyana, Martinique, Reunion, the Canary Islands, Azores and Madeira);
- two or more regional bodies of which OCTs are members;
- one or more OCTs and regional bodies of which OCTs, ACP States or overseas departments are members.

2. The objectives of cooperation in this context shall be to:

- foster the gradual integration of the OCTs into the world economy;
- accelerate economic cooperation and development within the regions of the OCT and between them and the regions of the ACP States;
- promote the free movement of persons, goods, services, capital, labour and technology;
- accelerate economic diversification and the coordination and harmonisation of regional and sub-regional cooperation policies;
- promote and foster inter-OCT and intra-OCT trade as well as trade with the most remote regions, ACP States or third countries.

3. In the context of regional integration, the aim of cooperation shall be to:

- build and enhance the capacity of regional cooperation and integration organisations and institutions to promote regional cooperation and integration;
- encourage the least developed OCTs to take part in the development of regional markets and benefit therefrom;
- implement sectoral reform policies at regional level;
- liberalise trade and payments;
- stimulate cross-border foreign and domestic investment and other regional or sub-regional economic integration initiatives;
- take account of the net transitional cost of regional integration on budget revenue and balance of payments.

4. Cooperation shall, in the area of regional cooperation, cover a wide variety of functional and thematic fields which specifically address common problems and take advantage of economies of scale, including:

- infrastructure (particularly transport and communications infrastructure and related safety problems), energy;
- the environment, water resource management;
- health, education and training;
- research and scientific and technical cooperation;
- regional disaster preparedness and alleviation initiatives;
- other areas, e.g. arms controls, drugs, organised crime, money laundering, fraud and corruption.

5. Cooperation shall also support inter-regional, inter-OCT and inter-ACP cooperation schemes and initiatives.

### *Article 17*

#### Cultural and social cooperation

Cooperation shall contribute to the self-reliant development of the OCTs, a process centred on man himself and rooted in each people's culture. The human and cultural dimension must embrace all areas and be reflected in all development projects and programmes. Cooperation shall back up the policies and measures adopted by the competent OCT authorities to enhance their human resources, increase their own creative capacities and promote their cultural identities. It shall foster participation by the population in the process of development.

Cultural and social cooperation shall be expressed through:

- the taking into account of the cultural and social dimension;
- promotion of cultural identities and intercultural dialogue, with particular reference to preserving the cultural heritage, the production and dissemination of cultural products, cultural events and information and communication;
- operations to enhance human resources, notably covering education and training, scientific and technical cooperation, the role of women in development, health and combating drug abuse, population and demography.

# **PART THREE**

## **INSTRUMENTS OF EC-OCT COOPERATION**

### **TITLE I**

#### **DEVELOPMENT FINANCE COOPERATION**

##### **CHAPTER 1**

###### **GENERAL PROVISIONS**

###### *Article 18*

###### Objectives

The objective of development finance cooperation shall be, through the provision of adequate financial resources and appropriate technical assistance, to:

- (a) support and promote the OCTs' own efforts to achieve sustainable social, cultural and economic development on the basis of mutual interest and in a spirit of interdependence;
- (b) help raise the standard of living of the peoples of the OCTs;
- (c) promote measures likely to mobilise the capacity for initiative of communities, groups, associations and individuals and their participation in the design and implementation of development programmes;
- (d) contribute to the fullest participation of the population in the benefits of development in the interests of poverty alleviation;
- (e) contribute to the development of the capacity of the OCTs to innovate, adapt and transform local technologies and to master appropriate new technologies;
- (f) contribute to sustainable exploration, conservation, processing and exploitation of the OCTs' natural resources in order to enhance their efforts to industrialise and achieve economic diversification;
- (g) provide support for and promote the optimal development of human resources in the OCTs;
- (h) facilitate an increase in the financial flows to the OCTs that meet their evolving needs and support the efforts of the OCTs to harmonise international cooperation for their

development through cofinancing of operations with other financing agencies or third parties;

(i) promote direct private investment in the OCTs, support the development of a healthy, prosperous and dynamic OCT private sector and encourage local, national and foreign private investment flows into the productive sectors in the OCTs;

(j) encourage inter-OCT and OCT-ACP regional cooperation, solidarity and integration;

(k) permit the establishment of more balanced economic and social relations and better understanding between the OCTs, ACP States, Member States of the Community and the rest of the world, with a view to assisting the integration of the OCTs into the world economy;

(l) enable OCTs faced with serious economic and social difficulties of an exceptional nature resulting from natural disasters or extraordinary circumstances having comparable effects to benefit from emergency assistance;

(m) help the least-developed OCTs to overcome the specific obstacles which hamper their development efforts.

#### *Article 19*

##### Principles

Development finance cooperation shall be based on the principles of partnership, complementarity and subsidiarity:

(a) it shall be implemented on the basis of and be consistent with the development objectives, strategies and priorities established by the relevant authorities of the OCTs, in conformity with this Decision and in particular Article 1 thereof, with due regard to their respective geographical, social and cultural characteristics, as well as their specific potential;

(b) it shall be provided on highly concessional terms;

(c) it shall ensure that resource flows are accorded on a predictable basis;

(d) it shall be flexible and tailored to the situation in each OCT;

(e) in application of the principle of partnership, Community activities shall be decided in close consultation between the Commission, the OCT concerned and the Member State to which it is linked; such partnership shall be conducted in full compliance with the respective institutional, legal and financial powers of each of the partners;

(f) in application of the principle of complementarity, Community resources shall be allocated to support the budgets of the OCT concerned and the Member State to which it is linked or by way of a contribution to their activities;

(g) in application of the principle of subsidiarity, the authorities of the OCT concerned shall be responsible for implementing operations without prejudice to the powers of the

Commission to ensure that Community funds are used in accordance with the principles of sound financial management.

## *Article 20*

### Guidelines

1. The relevant authorities of the OCTs shall be responsible for:

(a) establishing the strategy and priorities on which the single programming document, hereinafter referred to as the 'SPD', are based;

(b) in the framework of sectoral planning, identifying projects and programmes and establishing back-up measures to ensure the sustainability and viability of the proposed schemes;

(c) preparing project and programme dossiers;

(d) preparing, negotiating and concluding contracts;

(e) implementing and managing projects and programmes;

(f) maintaining projects and programmes and ensuring their sustainability.

2. The relevant authorities of the OCTs and the Community shall be jointly responsible for:

(a) establishing guidelines for development finance cooperation, where necessary in the framework of the partnership;

(b) adopting the Single Programming Document;

(c) ensuring equality of conditions for participation in invitations to tender and contracts;

(d) monitoring and evaluating the effects and results of projects and programmes;

(e) ensuring the proper, prompt and efficient execution of projects and programmes.

3. The Commission shall be responsible for taking the financing decision on the overall allocation corresponding to the SPD, in accordance with the procedure referred to in Article 24 below.

4. Unless otherwise provided in this Decision, all decisions requiring the approval of a party to the association shall be approved, or be deemed approved, within 6 months of notification by the other party.

## *Article 21*

### Scope of financing

Within the framework of the strategy and the priorities established by the OCT concerned at local or regional level, support may be given to operations helping to achieve the objectives set out in this Decision.

The following activities shall fall within its scope:

- (a) sectoral policies and reforms;
- (b) institutional development, capacity building and integration of environmental aspects;
- (c) technical cooperation programmes;
- (d) humanitarian aid and emergency relief operations;
- (e) additional support in the event of fluctuations in export earnings from exports of goods and services.

## *Article 22*

### Eligibility for financing

1. The following entities or bodies shall be eligible for financial support provided under this Decision:

- (a) OCTs;
- (b) regional or inter-State bodies to which one or more OCTs belong and which are authorised by their relevant authorities;
- (c) joint bodies set up by the Community and the OCTs to pursue certain specific objectives.

2. Subject to the agreement of the relevant authorities of OCTs concerned, the following shall also be eligible for support:

- (a) local, national and/or regional public or semi-public agencies, departments or local authorities of the OCTs and in particular their financial institutions and development banks;
- (b) companies and firms of the OCTs;
- (c) enterprises of a Community Member State to enable them, in addition to their own contribution, to undertake productive projects in the territory of an OCT;
- (d) OCT or Community financial intermediaries promoting and financing private investments in the OCTs;



(e) actors of decentralised cooperation and other non-state actors from OCTs and from the Community, to enable them to undertake economic, cultural, social and educational projects and programmes in the OCTs in the framework of decentralised cooperation, as referred to in Article 30.

### *Article 23*

#### Programming and implementation

The Commission shall adopt the implementing provisions for this part of the Decision and for Annexes II A to D within 12 months of its entry into force, in accordance with the procedure laid down in Article 24 and after consulting the OCTs in the framework of the partnership procedure.

The provisions shall include in particular :

- (a) the procedure for preparing the SPD and its essential elements;
- (b) the procedures and criteria for the follow-up, audit, ex-ante, mid-term and ex-post evaluation, review and implementation of the SPD, including those in relation to the Commission's participation in these activities;
- (c) the preparation of periodical or other such reports.

The financial and accounting procedures shall be laid down in the 9th EDF Financial Regulation.

### *Article 24*

#### The EDF-OCT Committee

1. The Commission shall, where appropriate, be assisted by the Committee created by the Internal Agreement between representatives of the Governments of the Member States, meeting within the Council, on the financing and administration of Community Aid under the Financial Protocol to the Partnership Agreement between the African, Caribbean and Pacific States and the European Community and its Member States signed in Cotonou (Benin) on 23 June 2000 and the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the EC Treaty applies,<sup>15</sup> hereinafter the "Internal Agreement".

2. When exercising the powers conferred on it by this Decision, the Committee shall be known as the "EDF-OCT Committee". The internal rules of procedure of the Committee created by the Internal Agreement referred to in paragraph 1 shall apply to the EDF-OCT Committee.

3. The EDF-OCT Committee shall focus its work on the substantive issues of development cooperation at OCT and regional level. In the interests of coherence,

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<sup>15</sup> Doc.10688/00 ACP 114 FIN 313 PTOM 21 OJ L...p.....

coordination and complementarity, it shall monitor the implementation of the single programming documents.

4. The Committee shall give its opinion on:
  - (a) draft SPDs and any amendments to them;
  - (b) the implementing provisions for this part of the Decision and for Annexes II A to D.
5. The representative of the Commission shall submit to the Committee a draft of the measures to be taken. The Committee shall deliver its opinion on the draft within a time limit laid down by the chairman. The opinion shall be delivered by the majority laid down in Article 21(4) of the Internal Agreement. The votes of the representatives of the Member States within the Committee shall be weighted in the manner set out in paragraph 3 of that Article. The chairman shall not vote.
6. The Commission shall adopt the measures, which shall be immediately applicable. However, if the measures are not in accordance with the Committee's opinion, the Commission shall forthwith communicate them to the Council. The Commission may in such cases defer the application of the measures decided on for a period to be specified in each basic instrument. This period shall in no case exceed three months following the date of the communication.
7. The Council, acting by the majority and in accordance with the weighting referred to in paragraph 5, may take a different decision within the period provided for in paragraph 6.
8. The Commission shall inform the Committee of the follow-up, evaluation and audit of SPDs.

## **CHAPTER 2**

### **RESOURCES MADE AVAILABLE TO THE OCTS**

#### *Article 25*

##### Financial assistance

1. The overall amount of Community financial assistance for the purposes of Chapter 1 of this Title, its allocation, financing terms and arrangements for the period 1 March 2001 to 31 December 2007 can be found in Annex II A to D and in Chapter 3 below, without prejudice to the provisions to be adopted by the Commission as laid down in Article 24.

Financial assistance under this Decision may be used to cover the total cost of both the local and foreign expenditure of projects and programmes, including financing of recurrent costs.

2. OCTs are also eligible for financing under the legislation in force in favour of the developing countries listed in Annex II E and for the Community programmes listed in Annex II F.

## CHAPTER 3

### PRIVATE SECTOR INVESTMENT SUPPORT

#### *Article 26*

##### Investment promotion

The relevant authorities of the OCT and the Community, recognising the importance of private investment in the promotion of their development cooperation and acknowledging the need to take steps to promote such investment, shall:

- (a) implement measures to encourage participation in their development efforts by private investors who comply with the objectives and priorities of EC-OCT development cooperation and with the appropriate laws and regulations;
- (b) accord fair and equitable treatment to such investors;
- (c) take measures and actions which help to create and maintain a predictable and secure investment climate as well as enter into negotiations on agreements which will improve such a climate;
- (d) promote effective cooperation amongst OCT economic operators and between them and those of the Community in order to increase the flow of capital, management skills, technology and other forms of know-how;
- (e) seek to promote a greater flow of private resources between the Community and the OCTs by contributing, *inter alia*, to the removal of obstacles which impede OCT operators' access to international capital markets, including those of the Community;
- (f) create an environment which encourages the development of financial institutions and the mobilisation of resources which are essential to capital formation and the growth of entrepreneurship;
- (g) promote the development of enterprises by taking such steps as are necessary to improve the business environment and, in particular, foster a legal, administrative and incentive framework which is conducive to the emergence and development of dynamic private sector enterprises including grassroots operations;
- (h) strengthen the capacity of local institutions in the OCTs to provide the range of services which can encourage greater local participation in industrial and business activity.

## *Article 27*

### Investment support and financing

Cooperation will provide long-term financing to help promote private sector growth and mobilise national and foreign capital to that effect. To this end, cooperation shall in particular provide:

(a) grants to cover technical and financial assistance in support of human resource development, institutional capacity building, or other forms of institutional aid linked to a specific investment; measures designed to make enterprises more competitive and build the capacity of private financial and non-financial intermediaries; measures to facilitate and promote investment and activities to improve competitiveness;

(b) advisory and consultancy services to help create an investment-friendly climate and a stock of information to help guide and encourage capital flows;

(c) grants funded by the Investment Facility;

(d) loans from the European Investment Bank's own resources.

The conditions applicable to the Investment Facility and the abovementioned loans are laid down respectively in Annex II B and C to this Decision.

## **CHAPTER 4**

### **ADDITIONAL SUPPORT IN THE EVENT OF FLUCTUATIONS IN EXPORT EARNINGS**

## *Article 28*

### Additional support

1. In order to mitigate the adverse effects of any instability in export earnings, in particular in the agricultural and mining sectors, which might jeopardise the attainment of the development objectives of the OCT concerned, a system of additional support shall be instituted within the financial allocation.

2. The purpose of support in the event of short-term fluctuations in export earnings is to safeguard macroeconomic and sectoral reforms and policies that are at risk as a result of a drop in revenue and remedy the adverse effects of instability of export earnings from agricultural and mining products.

3. The dependence of the OCT economies on exports, in particular in the agricultural and mining sectors, shall be taken into account in the allocation of resources in the year of application. In this context, the least developed OCTs shall receive more favourable treatment.

4. The additional resources shall be provided in accordance with the specific modalities of the support mechanism as set out in Annex II D on Terms and Conditions of Financing.

5. The Community shall also provide support for market-based insurance schemes designed for OCTs seeking to protect themselves against the risk of fluctuations in export earnings.

## **CHAPTER 5**

### **SUPPORT FOR OTHER ACTORS OF COOPERATION**

#### *Article 29*

##### Objectives and financing

In order to respond to the development needs of local communities and encourage all actors of decentralised cooperation which are in a position to contribute to the autonomous development of the OCTs to put forward and implement initiatives, EC-OCT cooperation shall support such development operations within limits laid down by the OCTs concerned and by the Member States responsible for these OCTs, and within the framework of the SPD provisions.

1. In this context cooperation shall support:

(a) funding of local microprojects which have an economic and social impact on the life of the people, meet a demonstrated and observed priority need and are undertaken at the initiative and with the active participation of the local community which will benefit therefrom;

(b) decentralised cooperation financing, in particular where it combines the efforts and resources of organisations from the OCTs and their counterparts from the Community. This form of cooperation shall make available for the development of the OCTs the capabilities, innovative operating methods and resources of the actors of decentralised cooperation.

2. Microprojects and decentralised cooperation activities may be funded from the financial resources of this Decision. Projects or programmes under this form of cooperation may be a way of achieving the specific objectives of the SPD or the results of initiatives by local communities or decentralised actors.

Contributions to the funding of microprojects and decentralised cooperation shall come from grants, in which case the contribution shall not normally exceed three-quarters of the total cost of each project. The balance shall be financed:

(a) for microprojects, by the local community concerned, in kind or in the form of services or cash and adapted to its capacity to contribute;

(b) for decentralised cooperation, by the actors of decentralised cooperation, provided that the financial, technical, material and other resources brought in by such actors is not, as a general rule, less than 25% of the estimated cost of the project/programme;

(c) in exceptional cases where both microprojects and decentralised cooperation are concerned, by the competent authorities of the OCT concerned, either in the form of financial contribution or through the use of public equipment or the supply of services.

The procedures applicable to projects and programmes financed in the context of microprojects or decentralised cooperation shall be as set out in this Decision, notably with regard to the SDP implementing provisions.

## **CHAPTER 6**

### **SUPPORT FOR HUMANITARIAN AND EMERGENCY AID**

#### *Article 30*

##### Objectives and means

Humanitarian and emergency aid shall be granted to OCTs faced with serious economic and social difficulties of an exceptional nature resulting from natural disasters or extraordinary circumstances having comparable effects. Humanitarian and emergency aid shall be maintained as long as necessary to deal with the urgent problems which arise in such situations.

Humanitarian and emergency aid shall be granted solely on the basis of the needs and interests of disaster victims.

1. The aim of humanitarian and emergency aid shall be to:

(a) save human lives in crisis and post-crisis situations caused by natural disasters or extraordinary circumstances having comparable effects;

(b) help finance the transport of aid and efforts to ensure that it is accessible to those for whom it is intended, by all logistical means available;

(c) implement short-term rehabilitation and reconstruction measures in order to establish conditions as soon as possible for the people concerned to be integrated or reintegrated;

(d) respond to needs arising as a result of people being displaced (refugees, displaced persons and returnees) following natural or manmade disasters so as to meet all the requirements of refugees and displaced persons (wherever they may be) for as long as is necessary and facilitate their voluntary resettlement;

(e) help the OCTs to develop or perfect systems of disaster prevention and preparedness, including prediction and early-warning systems, with a view to reducing the consequences of disasters.

2. Similarly aid may be granted to OCTs taking in refugees or returnees to meet acute needs not covered by emergency assistance.

3. Aid provided for by this Article shall be financed under Council Regulation (EC) No 1257/96 of 20 June 1996 on humanitarian aid.<sup>16</sup> However, it may exceptionally be financed, at the request of the OCT concerned, from the overall grant allocation (SPD) in addition to the funding from the budget heading concerned.

4. Humanitarian and emergency aid operations shall be undertaken at the request of the OCT affected, the Commission or local or international non-governmental organisations. Such assistance shall be administered and implemented under procedures that facilitate rapid, flexible and effective operations. The Commission shall adopt the necessary provisions to apply the above principles.

## **CHAPTER 7**

### **IMPLEMENTATION PROCEDURES**

#### *Article 31*

##### Technical assistance

1. On the initiative of or on behalf of the Commission, studies or technical assistance measures may be financed in order to ensure the preparation, monitoring, evaluation and supervision necessary for implementing this Decision.

Such studies or technical assistance measures shall be financed by the overall grant allocation.

2. On the initiative of the OCT, studies or technical assistance measures may be financed in relation to the implementation of the activities contained in the SPD, subject to the Commission's opinion.

Such studies or technical assistance measures shall be financed from the allocation of the OCT concerned.

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<sup>16</sup> OJ L 163, 2.7.1996, p.1.



## *Article 32*

### Financial control

1. The OCT concerned shall bear primary responsibility for the financial supervision of the operation. This shall be carried out, where appropriate, in coordination with the Member State concerned, in accordance with the applicable national legislation.
2. The Commission shall be responsible for:
  - (a) ensuring that management and control systems exist and function properly in the OCT concerned so as to ensure that the Community funds are used correctly and effectively;
  - (b) in the event of irregularities, sending recommendations or requests for corrective measures to remedy those irregularities and rectify any management shortcomings found.
3. The Commission, OCT and, where appropriate, the Member State to which it is linked, shall cooperate on the basis of administrative arrangements at annual or biannual meeting to coordinate programmes, methodologies and the implementation of controls.
4. With regard to financial corrections:
  - (a) the OCT shall be responsible in the first instance for detecting and correcting financial irregularities;
  - (b) however, in the event of shortcomings by the OCT concerned, the Commission shall take action, if the OCT fails to remedy the situation and attempts at conciliation are unsuccessful, to reduce or withdraw the balance of the overall allocation corresponding to the SPD financing decision.

## **CHAPTER 8**

### **TRANSITION FROM PREVIOUS EDFs TO THE 9TH EDF**

## *Article 33*

### Implementing the previous EDFs and the transitional phase

1. Commitments made in the framework of the 6th, 7th and 8th EDFs before the entry into force of this Decision and the 9th EDF Internal Agreement shall continue to be executed following the rules applicable to those EDFs.

For a transitional period until 31 December of the second year following the year when this Decision or the Internal Agreement, whichever is the latest, comes into force, the officials responsible for managing and implementing European Development Fund resources, i.e. the EDF Chief Authorising Officer, the OCT Local Authorising Officer and the Commission's Head of Delegation, shall remain responsible for the management

and implementation tasks assigned to them by Council Decision 91/482/EC, as amended by Decision 97/803/EC.

Before this date, the Commission shall adopt measures, following consultations with the OCTs and the Member States to which they are linked, to facilitate a smooth transition between those rules and the new procedures for implementing development finance cooperation contained herein.

2. Any balances remaining from previous EDFs on the date of entry into force of this Decision and of the Internal Agreement, as well as any amounts that shall be decommitted at a later date from ongoing projects under these Funds, shall be transferred to the 9th EDF and used in accordance with the conditions laid down in this Decision.

Any resources thus transferred to the 9th EDF that previously had been allocated to the indicative programme of an OCT or region shall remain allocated to that OCT or to regional cooperation.

Any other remaining balances not allocated to an indicative programme shall be transferred to the non-committed amount of the 9th EDF. The overall amount of this Decision, supplemented by the transferred balances from previous EDFs, shall cover the period 2000–2007. This paragraph shall apply in particular to any remaining balances of the overall amounts referred to in Articles 118 and 142 of Decision 91/482/EEC concerning, respectively, the stabilisation of export earnings from agricultural commodities (Stabex) and the special financing facility (Sysmin).

# **TITLE II**

## **ECONOMIC AND TRADE COOPERATION**

### *Article 34*

#### Objective

The objective of economic and trade cooperation shall be to promote the economic and social development of the OCTs , in particular by establishing close economic relations between them and the Community as a whole.

The implementation of such cooperation must be consistent with the objectives of the other common policies.

### **CHAPTER 1**

#### **ARRANGEMENTS FOR TRADE IN GOODS**

### *Article 35*

#### Free access for originating products

1. Products originating in the OCTs shall be imported into the Community free of import duty.
2. The concept of originating products and the methods of administrative cooperation relating thereto are laid down in Annex III.

### *Article 36*

#### Transshipment of non-originating products in free circulation in the OCTs

1. Products not originating in the OCTs but which are in free circulation in an OCT and are re-exported as such to the Community shall be accepted for import into the Community free of customs duties and taxes having equivalent effect providing that they:
  - have paid, in the OCT concerned, customs duties or taxes having equivalent effect of a level equal to, or higher than, the customs duties applicable in the Community on import of these same products originating in third countries eligible for the most-favoured-nation clause;

- have not been the subject of an exemption from, or a refund of, in whole or in part, customs duties or taxes having equivalent effect, without prejudice to paragraph 2;
- are accompanied by an export certificate.

2. Without prejudice to paragraph 1 above, the Commission may, following a duly substantiated request from the competent authorities of the OCT concerned, exceptionally authorise OCT public financial aid to traders using the transshipment procedure.

The Commission shall take a decision in the light of the objectives referred to in this Title. It shall be assisted by an advisory committee composed of the representatives of the Member States and chaired by the representative of the Commission. The advisory procedure shall be as set out in Article 3 of Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission,<sup>17</sup> in compliance with Article 7(3) thereof.

3. The provisions of paragraphs 1 and 2 shall not apply to:

- the agricultural products listed in Annex II to the Treaty nor to products covered by Council Regulation (EEC) No 3448/93 of 6 December 1993 laying down the trade arrangements applicable to certain goods resulting from the processing of agricultural products;<sup>18</sup>

- products subject, on import into the Community, to quantitative restrictions or limitations;

- products subject, on import into the Community, to anti-dumping duties.

4. The conditions for entry into the Community of products not originating in the OCTs but in free circulation in an OCT, and the methods of administrative cooperation relating thereto, are laid down in Annex IV.

### *Article 37*

#### Quantitative restrictions and measures having equivalent effect: prohibitions

1. The Community shall not apply to imports of products originating in the OCTs any quantitative restrictions or measures having equivalent effect.

2. Paragraph 1 shall not preclude prohibitions or restrictions on imports, exports or goods in transit justified on grounds of public morality or public policy, the protection of health and life of humans, animals and plants, the protection of national treasures possessing artistic, historic or archaeological value, the conservation of exhaustible natural resources or the protection of industrial and commercial property.

Such prohibitions or restrictions shall in no case constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction of trade generally.

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<sup>17</sup> OJ L 184, 17.7.1999, p. 23.

<sup>18</sup> OJ L 318, 20.12.1993, p. 18.

## Article 38

### Hazardous, non-hazardous and radioactive waste

The Community undertakes, for its part, to make every effort to ensure that international movements of hazardous and non-hazardous waste and radioactive waste are generally controlled, and emphasises the importance of efficient international cooperation in this area.

With this in view, the Community shall prohibit all direct or indirect export of such waste, with the exception of exports of non-hazardous waste destined for recovery operations, to the OCTs while at the same time the relevant authorities of the OCTs shall prohibit the direct or indirect import into their territory of such waste from the Community or from any other country, without prejudice to specific international undertakings concerning these two areas that have been made, or may be made in future, in the competent international forums.

The relevant authorities of the OCTs shall monitor strictly the implementation of the prohibition measure referred to above.

1. These provisions shall not prevent a Member State to which an OCT has chosen to export waste for processing from returning the processed waste to the OCT of origin. In case of re-export to an OCT, a specimen of the consignment note, bearing the stamp of authorisation, shall accompany each shipment.

2. As regards the Community, and without prejudice to paragraph 1 above, Council Regulation (EEC) No 259/93 of 1 February 1993 on the supervision and control of shipments of waste within, into and out of the European Community<sup>19</sup> shall apply.

As regards those OCTs which, due to their constitutional status, are not Party to the Basle Convention, it falls within the competence of their authorities to expedite adoption of the necessary internal legislation and administrative regulations to implement this control.

3. As regards imports into the Community from the OCTs of hazardous waste and of non-hazardous waste destined for final disposal, Articles 1 to 12 and 25 to 39 of Regulation (EEC) No 259/93 shall apply.

4. The term 'hazardous waste' within the meaning of this Article shall cover categories of products listed in Annexes 1 and 2 to the Basle Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal.

As regards radioactive waste, the applicable definitions and thresholds shall be those which will be laid down in the framework of the International Atomic Energy Agency (IAEA). In the meantime, the applicable definitions and thresholds shall be those specified in Annex V.

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<sup>19</sup> OJ L 30, 6.2.1993, p. 1.

### *Article 39*

#### Measures adopted by the OCTs

1. In view of the present development needs of the OCTs, the relevant authorities of the OCTs may retain or introduce, in respect of imports of products originating in the Community, such customs duties or quantitative restrictions as they consider necessary.
2.
  - (a) The trade arrangements applied to the Community by the OCTs may not give rise to any discrimination between Member States nor be less favourable than most-favoured-nation treatment.
  - (b) Notwithstanding specific provisions of this Decision, the Community shall not discriminate between OCTs in the field of trade.
  - (c) The provisions of (a) shall not preclude a country or territory from granting certain other OCTs or other developing countries more favourable treatment than that accorded to the Community.
3. The competent authorities of the OCTs shall communicate to the Commission, within a period of three months following the entry into force of this Decision, the customs tariffs and lists of quantitative restrictions which they apply.

They shall also communicate to the Commission any subsequent amendments to such measures as and when they are adopted.

### *Article 40*

#### Surveillance clause

1. The products originating in the OCTs referred to in Article 35 or products not originating in the OCT referred to in Article 36 may be subject to special surveillance. The Commission shall decide to which products surveillance shall apply in consultation with the OCT authorities and the Member State to which the OCT is linked in the framework of the partnership.
2. Article 308d of Commission Regulation (EEC) No 2454/93 of 2 July 1993, laying down provisions for the implementation of Council Regulation (EEC) No 2913/92 on the Community Customs Code,<sup>20</sup> shall apply.
3. The Commission and the competent OCT authorities shall ensure the effectiveness of the surveillance measures by introducing the methods of administrative cooperation set out in Annexes III and IV.

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<sup>20</sup> OJ L 253, 11.10.1993, p. 1.

## *Article 41*

### Safeguard measures

1. If, as a result of the application of this Decision, serious disturbances occur in a sector of the economy of the Community or one or more of its Member States, or their external financial stability is jeopardised, or if difficulties arise which may result in a deterioration in a sector of the Community's activity or in a region of the Community, the Commission may, on its own initiative or at the request of one or more Member States, take or authorise the Member States concerned to take the necessary safeguard measures, in accordance with the paragraphs below.

2. For the purpose of implementing paragraph 1, priority shall be given to such measures as would least disturb the functioning of the association and the Community. These measures shall not exceed the limits of what is strictly necessary to remedy the difficulties that have arisen. They cannot exceed the withdrawal of the preferential treatment granted by this Decision.

3. When safeguard measures are taken or modified, particular attention shall be paid to the interests of the least-developed OCTs.

4. This Article is without prejudice to the rights and obligations of the Community under WTO rules, including those contained in the WTO agreement on safeguard measures. Neither shall it preclude application of the regulations establishing a common organisation of agricultural markets, or Community or national administrative provisions derived therefrom, or the specific rules adopted under Article 235 of the Treaty for processed agricultural products.

5. If a Member State asks the Commission for application of safeguard measures, the Commission shall inform the Council, the Member States and the relevant authorities of the OCT accordingly within three working days from the date of receipt of the Member State's request. At the same time it shall invite the Member States to a meeting of the Consultative Committee mentioned in paragraph 6 below.

Member States shall provide the Commission with any information necessary to justify their requests for the application of safeguard measures.

6. The Commission shall, on receipt of a request from a Member State for the application of safeguard measures or on its own initiative, consult a Committee made up of representatives of the Member States and chaired by a Commission representative. The Commission shall make any information it has concerning the case in question available to the Committee.

7. Following consultation with the Committee referred to in paragraph 6, the Commission may take or authorise the Member States concerned to take the necessary safeguard measures.

The Council, the Member States and the relevant authorities of the OCT shall be notified immediately of the decision. It shall apply with immediate effect.

8. Any Member State may refer the Commission's decision referred to in paragraph 7 to the Council within 10 working days of receiving notification of the decision.

9. Should the Commission fail to adopt a decision within 21 working days, or if the Commission decides not to take safeguard measures, any Member State that has brought the matter before the Commission may refer it to the Council.

10. In the cases referred to in paragraphs 8 and 9, the Council, acting by a qualified majority, may adopt a different decision within 21 working days.

## **CHAPTER 2**

### **TRADE IN SERVICES**

#### *Article 42*

##### Objective

The long-term aim in this area is a progressive liberalisation of trade in services, with due respect for the OCT's local policy objectives, and taking due account of the level of development of the OCT and the obligations entered into by the Community, its Member States or the OCTs in the WTO framework.

#### *Article 43*

##### General principles of establishment and the provision of services

1. As regard the arrangements applicable to establishment and the provision of services, in line with Article 183(5) of the Treaty and subject to paragraph 2 below:

(a) the Community shall apply to the OCTs the undertakings it has entered into under the General Agreement on Trade in Services (GATS) under the conditions laid down in that Agreement and in accordance with this Decision; in application of such undertakings, Member States shall not discriminate between nationals, companies or enterprises of the OCTs.

(b) the competent OCT authorities shall afford nationals, companies or enterprises of the Member States treatment that is no less favourable than that which they extend to nationals, companies or enterprises of third countries and shall not discriminate between nationals, companies or enterprises of Member States.

2. The relevant authorities of an OCT may, without prejudice to their undertakings entered into under GATS and with a view to promoting or supporting local employment, adopt regulations to aid their inhabitants and local activities in derogation from the rules normally applicable to nationals, companies or enterprises of all Member States.

In this event, the competent OCT authorities shall notify the Commission of the regulations they adopt so that it may inform the Member States.



3. For the purposes of this Decision 'companies or enterprises' means companies or enterprises constituted under civil or commercial law, including public or other companies, cooperative societies and any other legal person or association governed by public or private law, save for those which are non-profit-making.

Companies or enterprises of Member States are those formed in accordance with the laws of a Member State whose registered office, central administration or principal place of business is in a Member State; however, a company or enterprise having only its registered office in a Member State must be engaged in an activity which has an actual and continuous link with the economy of that Member State.

OCT companies or enterprises are those formed in accordance with the law applicable in a given OCT whose registered office, central administration or principal place of business is in that OCT; however, a company or enterprise having only its registered office in a country or territory must be engaged in an activity which has an actual and continuous link with the economy of that country or territory.

#### *Article 44*

##### Subsequent amendments

Amendments or additions to this Decision may be adopted by the Council, acting by a qualified majority on a proposal from the Commission, to take account, and to take advantage, of the outcome of the multilateral trade negotiations within the World Trade Organisation (WTO).

#### *Article 45*

##### Maritime transport

1. The relationship between the Community and the OCTs in the area of maritime transport shall be based on the effective application of the principle of unrestricted access to the international maritime market and traffic on a fair and commercial basis.

2. The Community and the OCTs shall extend to each other's nationals and the vessels registered in the territory of either of the Parties treatment no less favourable than that granted to the most favoured nation in respect of the maritime transport of goods, passengers or both, access to ports, the use of infrastructure and auxiliary maritime services of those ports and related fees and charges, customs facilities and the assignment of berths and facilities for loading and unloading, based on fair competition and on commercial terms.

## CHAPTER 3

### TRADE-RELATED AREAS

#### *Article 46*

##### Current payments and capital movements

1. Without prejudice to paragraph 3, the Member States and the competent OCT authorities undertake to impose no restrictions on any payments in freely convertible currency on the current account of balance of payments between residents of the Community and of the OCTs.
2. With regard to transactions on the capital account of balance of payments, the Member States and the competent OCT authorities undertake to impose no restrictions on the free movement of capital for direct investments in companies formed in accordance with the laws of the host country or territory and to ensure that the assets formed by such investment and any profit stemming therefrom can be realised and repatriated.
3. Where one or more OCTs or one or more Member States of the Community is in serious balance of payments difficulties, or under threat thereof, the competent OCT authorities, the Member State or the Community may, in accordance with the conditions established under the GATT, GATS and Article VIII and XIV of the Articles of Agreement of the International Monetary Fund, adopt restrictions on current transactions which shall be of limited duration and may not go beyond what is necessary to remedy the balance of payments situation. When taking such measures, the competent OCT authorities, the Member State or the Community shall inform each other without delay and submit to each other as soon as possible a timetable for the elimination of the measures concerned.

#### *Article 47*

##### Competition policies

1. The introduction and implementation of effective and sound competition policies and rules are of crucial importance in order to improve and secure an investment friendly climate, a sustainable industrialisation process and transparency in the access to markets.
2. To ensure the elimination of distortions to competition and with due consideration to the different levels of development and economic needs of each OCT, the Community and the OCTs undertake to implement local, national or regional rules and policies including the control and, under certain conditions, the prohibition of agreements between undertakings, decisions by associations of undertakings and concerted practices between undertakings which have as their object or effect the prevention, restriction or distortion of competition. The above prohibition also relates to the abuse by one or more undertakings of a dominant position in the territory of the Community or of the OCTs.

## *Article 48*

### Protection of intellectual property rights

1. An adequate and effective level of protection of intellectual, industrial and commercial property rights, including means for enforcing such rights, needs to be ensured in line with the highest international standards with a view to reducing distortions and impediments to bilateral trade.
2. Intellectual property rights cover copyright, including in particular the copyright on computer programmes and neighbouring rights, utility models, patents including biotechnological inventions, industrial designs, geographical indications including appellations of origin, trademarks for goods or services, topographies of integrated circuits, the legal protection of data bases and the protection against unfair competition as referred to in Article 10 bis of the Paris Convention for the Protection of Industrial Property and protection of undisclosed information on know-how.

## *Article 49*

### Standardisation and certification

Closer cooperation is necessary in the field of standardisation, certification and quality assurance to remove unnecessary technical barriers and to reduce differences in those areas, so as to facilitate trade.

## *Article 50*

### Trade and the environment

The development of international trade should be promoted in such a way as to ensure sustainable and sound management of the environment, in accordance with the relevant international agreements and undertakings and with due regard to the respective levels of development of the OCTs. The special needs and requirements of the OCTs should be taken into account in the design and implementation of environmental measures.

Bearing in mind the Rio Principles, cooperation shall aim at ensuring the mutual supportiveness of trade and environment policies, in particular through the reinforcement of quality controls of goods and services related to the environment and the improvement of environment-friendly production methods.

## *Article 51*

### Trade and labour standards

The internationally and nationally recognised core labour standards must be respected, in particular the freedom of association and protection of the right to organise, application of the right to organise and to bargain collectively, the abolition of forced labour, the elimination of worst forms of child labour, the minimum age for admission to

employment and non-discrimination in respect to employment. The above standards should not be used for protectionist trade purposes.

*Article 52*

Consumer policy and consumer health protection

Cooperation is needed in the area of consumer policy and consumer health protection, having due regard to the legislation in force to avoid barriers to trade.

**CHAPTER 4**

**MONETARY AND TAX MATTERS**

*Article 53*

Tax carve-out clause

1. Without prejudice to the provisions of Article 57, the most favoured nation treatment granted in accordance with the provisions of this Decision shall not apply to tax advantages which the Member States of competent OCT authorities are providing or may provide in the future on the basis of agreements to avoid double taxation or other tax arrangements, or domestic fiscal legislation in force.
2. Nothing in this Decision may be construed to prevent the adoption or enforcement of any measure aimed at preventing the avoidance or fraud of taxes pursuant to the tax provisions of agreements to avoid double taxation or other tax arrangements, or fiscal legislation in force.
3. Nothing in this Decision shall be construed to prevent the respective competent authorities from distinguishing, in the application of the relevant provisions of their fiscal legislation, between taxpayers who are not in the same situation, in particular with regard to their place of residence, or with regard to the place where their capital is invested.

*Article 54*

Tax and customs arrangements for EC-funded contracts

1. The OCTs shall apply to Community-financed contracts tax and customs arrangements no less favourable than those applied by them to the most-favoured States or international development organisations with which they have relations. For the purpose of determining the most-favoured-nation treatment, account shall not be taken of arrangements applied by the relevant authorities of the country or territory concerned to other developing countries.

2. Subject to paragraph 1, the following arrangements shall apply to contracts financed by the Community:

(a) the contract shall not be subject in the beneficiary OCT to stamp or registration duties or to fiscal charges having equivalent effect, whether such charges already exist or are to be instituted in the future; however, such contracts shall be registered in accordance with the laws in force in the OCT and a fee corresponding to the service rendered may be charged for it;

(b) profits and/or income arising from the performance of contracts shall be taxable according to the internal fiscal arrangements of the OCT concerned, provided that the natural or legal persons who realise such profit and/or income have a permanent place of business in that OCT, or that the performance of the contract takes longer than six months;

(c) enterprises which must import equipment in order to carry out works contracts shall, if they so request, benefit from the system of temporary admission as laid down by the legislation of the beneficiary OCT in respect of that equipment;

(d) professional equipment necessary for carrying out tasks defined in a service contract shall be temporarily admitted into the beneficiary OCT in accordance with the legislation of that OCT free of fiscal, import and customs duties and of other charges having equivalent effect where these duties and charges do not constitute remuneration for services rendered;

(e) imports under supply contracts shall be admitted into the beneficiary OCT without customs duties, import duties, taxes or fiscal charges having equivalent effect. The contract for supplies originating in the country or territory concerned shall be concluded on the basis of the ex-works price of the supplies, to which may be added such internal fiscal charges as may be applicable to those supplies in the country or territory;

(f) fuels, lubricants and hydrocarbon binders and, in general, all materials used in the performance of works contracts shall be deemed to have been purchased on the local market and shall be subject to fiscal rules applicable under the legislation in force in the beneficiary OCT;

(g) personal and household effects imported for use by natural persons, other than those recruited locally, engaged in carrying out tasks defined in a service contract and members of their families, shall be exempt from customs or import duties, taxes and other fiscal charges having equivalent effect, within the limits of the legislation in force in the beneficiary OCT.

3. Any matter not covered by paragraphs 1 and 2 shall remain subject to the legislation of the OCT concerned.

4. Tax arrangements affecting Commission Delegates and delegation staff are dealt with in Articles 215(g) and 222(3) of Council Decision 91/482/EC, as amended by Decision 97/803/EC.

*Article 55*

Taxation of savings income

Member States with dependent or associated territories, or which have special responsibilities or taxation prerogatives in respect of other territories, shall take appropriate measures, within the context of their constitutional arrangements, to ensure that provisions concerning interest payments to Community residents which are comparable to those laid down in any Community Directive which may be adopted are introduced in the OCTs.

# **PART FOUR**

## **ARRANGEMENTS APPLICABLE TO INDIVIDUALS**

### *Article 56*

#### Professional qualifications

With regard to the professions of doctor, dentist, midwife, general nurse, pharmacist and veterinary surgeon, the Council, acting unanimously on a proposal from the Commission, shall adopt the list of professional qualifications specific to the OCTs which in due course will be recognised in the Member States.

### *Article 57*

#### Vocational training

OCT nationals shall be eligible for vocational training in the Community under the same conditions as nationals of the Member States.

### *Article 58*

#### Programmes open to the OCTs

OCT nationals shall be eligible, within the framework of the quota of their Member State, for the Community programmes listed in Annex II F and any programmes succeeding them.

The Commission may modify this list at the request of an OCT, a Member State or at its own initiative.

### *Article 59*

#### Euro-Info Correspondence Centres (EICC)

At the request of the competent OCT authorities and in accordance with the procedures specified in Part Three, Title I of this Decision, a Euro-Info Correspondence Centre, hereinafter referred to as 'EICC', may be set up in an OCT. Part-financing may be made available to the EICC host structure from the grant aid available under the SPD or regional cooperation.

The tasks of the EICC, the tools and services made available to them, the establishment procedures and criteria for selecting the host structure are set out in Annex VI.

## *Article 60*

### Citizenship of the Union

Articles 59 to 61 shall apply to all OCT nationals without prejudice to the additional rights conferred by citizenship of the Union, within the meaning of Article 17 *et seq.* of the Treaty, in relation to those entitled to full citizenship of the Member State to which they belong.



# PART FIVE

## FINAL PROVISIONS

### *Article 61*

#### Change of status

If a country or territory becomes independent:

(a) the arrangements provided for in this Decision may continue to apply provisionally to that country or territory under conditions laid down by the Council;

(b) the Council, acting unanimously on a proposal from the Commission, shall decide on any necessary adjustments to this Decision, in particular to the amounts specified in Article 24.

### *Article 62*

#### Review

Before 31 December 2007, the Council, acting unanimously on a proposal from the Commission, shall establish the provisions to be laid down for the subsequent application of the principles set out in Articles 182 to 186 of the Treaty. In this context, the Council shall in particular adopt any necessary measures where an OCT decides in accordance with its own constitutional procedures to enter into special preferential arrangements between the Community and various partners in the region to which it belongs. The Council shall take particular account in this respect of international obligations entered into by the Community, its Member States or the OCTs, including those within the framework of the WTO.

### *Article 63*

#### Entry into force

This Decision shall enter into force on 1 March 2001. It shall be applicable until 31 December 2007.

*Article 64*

Publication

This Decision shall be published in the *Official Journal of the European Communities*.

Done at Brussels,

*For the Council*  
*The President*

## ANNEX IA

### LIST OF THE COUNTRIES AND TERRITORIES REFERRED TO IN ARTICLE 1

*(This list does not prejudice the status of these countries and territories, or future changes in their status)*

1. Country having special relations with the Kingdom of Denmark: Greenland.
2. Overseas territories of the French Republic:
  - New Caledonia,
  - French Polynesia,
  - French Southern and Antarctic Territories,
  - Wallis and Futuna Islands.
3. Territorial communities of the French Republic:
  - Mayotte,
  - St Pierre and Miquelon.
4. Non-European countries of the Kingdom of the Netherlands :
  - Aruba,
  - Netherlands Antilles:
    - . Bonaire
    - . Curaçao,
    - . Saba,
    - . Saint Eustatius,
    - . Saint Martin (Sint Maarten).
5. Overseas countries and territories of the United Kingdom of Great Britain and Northern Ireland:
  - Anguilla,
  - Cayman Islands,
  - Falkland Islands,
  - South Georgia and the South Sandwich Islands,
  - Montserrat,

- Pitcairn,
- Saint Helena, Ascension Island, Tristan da Cunha,
- British Antarctic Territory,
- British Indian Ocean Territory,
- Turks and Caicos Islands,
- British Virgin Islands.

**ANNEX IB**

LIST OF THE OCTS CONSIDERED THE LEAST DEVELOPED,  
REFERRED TO IN ARTICLE 6(2)

- Anguilla,
- Mayotte,
- Montserrat,
- Saint Helena, Ascension Island, Tristan da Cunha,
- Turks and Caicos Islands,
- Wallis and Futuna Islands.
- St Pierre and Miquelon.

## **ANNEX II A**

Community financial assistance:  
9th EDF

### *Article 1*

#### Allocation between the various instruments

1. For the purposes set out in this Decision, the overall amount of Community financial assistance for the period from 1 March 2001 until 31 December 2007, of EUR 175 million under the 9th European Development Fund (EDF) fixed by the Internal Agreement<sup>21</sup> is allocated as follows:
  - 1.1. EUR 153 million in the form of grants, including:
    - (a) EUR 145 million for programmable support for long-term development, humanitarian aid, emergency aid, refugee aid and the additional support in the event of fluctuations in export earnings. This amount shall be used in particular to finance the initiatives referred to in the Single Programming Documents (SPD);
    - (b) EUR 8 million to support regional cooperation and integration.
  - 1.2. EUR 20 million shall be allocated to finance the Investment Facility.
  - 1.3. EUR 2 million shall be allocated to studies or technical assistance measures on the initiative or on the behalf of the Commission, notably for an overall evaluation of the Decision to be made two years before it expires at the latest.

### *Article 2*

#### Administration of resources

The EIB shall administer the loans made from its own resources, as well as the operations financed under the Investment Facility. All other financial resources under this Decision shall be administered by the Commission.

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<sup>21</sup> Internal Agreement between representatives of the Governments of the Member States, meeting within the Council, on the financing and administration of Community Aid under the Financial protocol to the Partnership Agreement between the African, Caribbean and Pacific States and the European Community and its Member States signed in Cotonou (Benin) on 23 June 2000 and the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the EC Treaty applies.

### *Article 3*

#### Allocation between the OCTs

1. The amount of EUR 145 million mentioned in Article 1(1) (a) of this Annex is allocated on the basis of the needs and performance of the OCTs, in accordance with the following principles.

2. An amount A of EUR 55 million is allocated to the OCTs whose economic development is least advanced, namely those with a per capita Gross National Product - GNP - not exceeding 75% of the Community GNP, according to the available statistical data.

3. An amount B of EUR 55 million is allocated to the OCT with a per capita GNP not exceeding the Community's GNP, in order to finance priority actions for social development and environmental protection, within the framework of the fight against poverty.

4. The allocation of amounts A and B takes into account the population, the level of the GNP, the use made of previous EDFs, the respect of the principles of sound international tax and financial management, constraints due to geographical characteristics, the estimated absorption capacity. Any allocation shall be such as to allow its effective use. It should be decided in conformity with the principle of subsidiarity.

5. The question of a possible allocation to Greenland will be examined in the light of the review provided for in Article 14 of the Protocol on the fishing conditions for the period 2001-2006.

6. A non-allocated reserve C of EUR 35 million is set aside in order:

(a) To finance humanitarian, emergency and refugee aid for all the OCTs and, if necessary, the additional support in the event of fluctuations in export earnings, in accordance with Annex II D;

(b) To make new allocations in accordance with the development of the needs and performance of the OCTs.

Performance is evaluated in an objective and transparent way taking into account the use of the allocated resources, the effective implementation of the on-going operations, the alleviation or reduction of poverty, the sustainable development measures adopted;

(c) If appropriate, to take the necessary measures, following the review referred to in paragraph 5 above.

7. In accordance with the paragraphs above and without prejudice to the transfer of the unspent balances from previous EDF, the indicative amounts allocated under the 9th EDF are the following:

OCT	9th EDF INITIAL INDICATIVE ALLOCATION		
	EUR 000 000		
	A	B	TOTAL
New Caledonia		11	11
French Polynesia		10.6	10.6
Wallis and Futuna	8	3.5	11.5
Mayotte	9.9	5.3	15.2
St Pierre and Miquelon	5.6	6.8	12.4
Netherlands Antilles		8.3	8.3
Falkland Islands		3	3
Turks and Caicos	8.2	0.2	8.4
Anguilla	7.9	0.1	8
Montserrat	5.9	5.7	11.6
Saint Helena and dependencies (Ascension, Tristan da Cunha)	7.5	1.1	8.6
Pitcairn	2		2
<b>Total</b>	EUR 110 million		
Non-allocated C reserve	EUR 35 million		

8. The Commission, following a mid-term review, may decide a different allocation of any non-allocated balances of the funds mentioned in this article. The procedures for this review and the decision on any new allocation are adopted in accordance with Article 25 of this Decision.

#### *Article 4*

1. Before the expiry of this Annex, the Commission, the OCT and, if appropriate under the applicable national provisions, the Member States having special relations with the OCTs shall assess the degree of realisation of commitments and disbursements. This assessment



shall constitute the basis for re-evaluating the overall amount of resources as well as for evaluating the need for new resources to support financial cooperation under this Decision.

2. In the event of the funds provided for in any of the instruments of the Decision being exhausted before the expiry of this Annex, the Council shall take the appropriate measures.

## **ANNEX II B**

Community financial assistance:  
European Investment Bank  
Loans from own resources

### *Article 1*

#### Amount

An amount of up to EUR 20 million as laid down in Article 5 of the Internal Agreement shall be provided from the European Investment Bank in the form of loans from its own resources in accordance with the conditions provided for by its statutes and this Annex.

### *Article 2*

#### European Investment Bank

1. The Bank shall:

- (a) contribute, through the resources it manages, to the economic and industrial development of the OCTs on a territorial and regional basis; and to this end, finance as a priority productive projects and programmes or other investments aimed at promoting the private sector in all economic sectors;
- (b) establish close cooperation links with national and regional development banks and with banking and financial institutions of the OCTs and of the EU;
- (c) in consultation with the OCT concerned, adapt the arrangements and procedures for implementing development finance cooperation, as set out in this Agreement, if necessary, to take account of the nature of the projects and programmes and to act in accordance with the objectives of this Agreement, within the framework of the procedures laid down by its statute.

2. Loans from the Bank's own resources shall be granted under the following terms and conditions:

- (a) the reference rate of interest shall be the rate applied by the Bank for a loan with the same conditions as to currency, and repayment period on the day of signature of the contract or on the date of disbursement;
- (b) however :
  - (i) in principle, public sector projects shall be eligible for an interest rate subsidy of 3%;
  - (ii) private sector projects falling into the categories specified in Article 2 (7)(b) shall be eligible for interest rates subsidies on the same terms as those specified in Article 2(7)(b).

The final interest rate shall, in any case, never be less than 50% of the reference rate.

- (c) the amount of the interest rate subsidy calculated in terms of its value at the times of disbursement of the loan shall be charged against the interest subsidy allocation of the Investment Facility as defined in Article 2(8) and 2(9), and paid directly to the Bank;
  - (d) the repayment period of loans made by the Bank from its own resources shall be determined on the basis of the economic and financial characteristics of the project, but may not exceed 25 years. These loans shall normally comprise a grace period fixed by reference to the construction period of the project.
3. For investments financed by the Bank from its own resources in public sector companies, specific project-related guarantees or undertakings may be required from the OCT concerned.

### ARTICLE 3

#### Conditions for foreign exchange rate risk

In order to minimise the effects of exchange rate fluctuations, the problems of exchange rate risk shall be dealt with in the following way:

- (a) in the case of equity participation designed to strengthen an enterprise's own funds, the exchange rate risk shall, as a general rule, be borne by the Investment Facility;
- (b) in the case of risk capital financing for small-and medium-sized enterprises (SMEs), the exchange rate risk shall, as a general rule, be shared by the Community, on the one part, and by the other parties involved, on the other. On average, the foreign exchange rate risk shall be shared equally;
- (c) where feasible and appropriate, particularly in countries characterised by macroeconomic and financial stability, the Facility will endeavour to extend loans in local OCT currencies, thus de facto taking the foreign exchange risk.

### ARTICLE 4

#### Conditions for foreign exchange transfer

The OCT concerned shall, in respect of operations under the Agreement, and in respect of which they have given their written approval within the framework of this Agreement:

- (a) grant exemption from all national or local duties, fiscal charges on interest, commission and amortisation of loans due in accordance with the law or laws of the OCTs concerned;
- (b) place at the disposal of the beneficiaries the currency necessary for the payment of interest, commission and the amortisation of loans due in terms of financing contracts granted for the implementation of projects and programmes on their territories;
- (c) make available to the Bank the foreign currency necessary for the transfer of all sums received by it in national currency at the exchange rate applicable between the Euro or other currencies of transfer and the national currency at the date of the transfer. These include all forms of remuneration, such as, inter alia, interest, dividends, commissions and fees, as well as the amortisation of loans and the proceeds from the sale of shares

due in terms of financing contracts granted for the implementation of projects and programmes on their territories.

## ANNEX II C

### Community Financial assistance: the EIB-managed Investment Facility

#### *Article 1*

##### Objective

An Investment Facility is set up to promote commercially viable enterprises, mainly in the private sector but also those in the public sector supporting private sector development.

The terms and conditions of financing in relation to the operations of the Investment Facility (Facility), the loans from own resources of the European Investment Bank (Bank) shall be as laid down in this Annex, Annex II B and Articles 29 and 30 of the 9th EDF Internal Agreement. These resources may be channelled to eligible enterprises, either directly or indirectly, through eligible investment funds and/or financial intermediaries.

#### *Article 2*

##### Resources of the investment facility

1. The resources of the Facility may be used, *inter alia*, to:
  - (a) provide risk capital in the form of:
    - (i) equity participation in OCT enterprises, including financial institutions;
    - (ii) quasi-capital assistance to OCT enterprises, including financial institutions;
    - (iii) guarantees and other credit enhancements which may be used to cover political and other investment-related risks, both for foreign and local investors or lenders.
  - (b) provide ordinary loans.
2. Equity participation shall normally be for non-controlling minority holdings and shall be remunerated on the basis of the performance of the project concerned.
3. Quasi-capital assistance may consist of shareholders' advances, convertible bonds, conditional, subordinated and participating loans or any other similar form of assistance. Such assistance may consist in particular of:
  - (a) conditional loans, the servicing and/or the duration of which shall be linked to the fulfilment of certain conditions with regard to the performance of the project; in the specific case of conditional loans for pre-investment studies or other project-related technical assistance, servicing may be waived if the investment is not carried out;
  - (b) participating loans, the servicing and/or the duration of which shall be linked to the financial return of the project;

(c) subordinated loans, which shall be repaid only after other claims have been settled.

4. The remuneration of each operation shall be specified when the loan is made. However:

(a) in the case of conditional or participating loans, the remuneration shall normally comprise a fixed interest rate of not more than 3% and a variable component related to the performance of the project;

(b) in the case of subordinated loans, the interest rate shall be market related.

5. Guarantees shall be priced so as to reflect the risks insured and the particular characteristics of the operation.

6. The interest rate of ordinary loans shall comprise a reference rate applied by the Bank for comparable loans with the same terms and conditions as to grace and repayment periods and a mark up determined by the Bank.

7. Ordinary loans may be extended on concessional terms and conditions in the following cases:

(a) for infrastructure projects in the Least Developed OCTs or in post-conflict countries that are prerequisites for private sector development. In such cases, the interest rate of the loan will be reduced by 3% ;

(b) for projects which involve restructuring operations in the framework of privatisation or for projects with substantial and clearly demonstrable social or environmental benefits. In such cases, loans may be extended with an interest rate subsidy the amount and form of which will be decided with respect to the particular characteristics of the project. However, the interest rate subsidy shall not be higher than 3%.

The final interest rate shall, in any case, never be less than 50% of the reference rate.

8. The funds to be provided for these concessional purposes will be made available from the Investment Facility and shall not exceed 5% of the overall amount allocated for investment financing by the Investment Facility and by the Bank from its own resources.

9. Interest subsidies may be capitalised or may be used in the form of grants to support project-related technical assistance, particularly for financial institutions in the OCTs.

### *Article 3*

#### Operations of the investment facility

1. The Investment Facility shall operate in all economic sectors and support investments of private and commercially run public sector entities, including revenue generating economic and technological infrastructure critical for the private sector. The Facility shall:

(a) be managed as a revolving fund and aim at being financially sustainable. Its operations shall be on market-related terms and conditions and shall avoid creating distortions on local markets and displacing private sources of finances;

(b) endeavour to have a catalytic effect by encouraging the mobilisation of long-term local resources and attracting foreign private investors and lenders to projects in the OCTs.

2. On expiry of the Financial Protocol, and in the absence of a specific decision by the Council of Ministers, the cumulative net reflows to the Investment Facility shall be carried over to the next Protocol.

## ANNEX II D

Community financial assistance :  
Additional support in the event of short-term fluctuations in export earnings

### *Article 1*

#### Principles

1. The degree of dependence of an OCT economy on the export of goods, and in particular from agricultural and mining products shall, therefore, be a criterion for determining the allocation of long-term development.
2. In order to mitigate the adverse effects of instability of export earnings and safeguard the development programme jeopardised by the drop in revenue, additional financial support may be mobilised from the programmable resources for the country's long-term development on the basis of Articles 2 and 3.

### *Article 2*

#### Eligibility criteria

1. Eligibility for additional resources shall be established by:
  - (a) a 10 % (2% in the case of least-developed countries) loss of export earnings from goods compared with the arithmetical average of the earnings in the first three years of the first four years preceding the application year;or
  - a 10 % (2% in the case of least-developed countries ) loss of export earnings from the total of agricultural or mineral products compared with the arithmetical average of the earnings in the first three years of the first four years preceding the application year for countries where the agricultural or mineral export revenues represent more than 40 % of total export revenues from goods;
  - (b) a 10 % worsening in the programmed public deficit programmed for the year in question or forecast for the following year.
2. Entitlement to additional support shall be limited to four successive years.
3. The additional resources shall be reflected in the public accounts of the country concerned. They shall be utilised in accordance with programming rules and methods including the specific provisions in Annex IV "Implementation and management procedures", on the basis of agreements drawn up in advance between the Community and the OCT concerned in the year following the application. By agreement of both Parties the resources may be used to finance programmes included in national budget. However a part of the additional resources may also be set aside for specific sectors.



### *Article 3*

#### Advances

The system for allocating additional resources shall provide for advances to cover any delays in obtaining consolidated trade statistics and to ensure that the resources in question can be included in the budget of the year following the application year. Advances shall be mobilised on the basis of provisional export statistics drawn up by the government of the OCTs and submitted to the Commission in advance of the official final consolidated statistics. The maximum advance shall be 80 % of the estimated amount of additional resources for the application year. The amounts thus mobilised shall be adjusted by common agreement between the Commission and the government in the light of final consolidated export statistics and the final figure of the public deficit.

### *Article 4*

#### Revision

The provisions in this Chapter shall be subject to review at the latest after two years of operation and subsequently at the request of the Commission, a Member State or an OCT.

## **ANNEX II E**

### Community financial assistance: Budgetary aid for developing countries

Without prejudice to future modifications of budgetary provisions, the OCTs benefit from the following budget lines foreseen for developing countries within the general budget of the European Union. Except if explicitly excluded, the OCTs may benefit from the general budget funds granted to developing countries.

#### 1. Humanitarian aid (Title B7.2)

- Council Decision 96/88/EC of 19 December 1995 concerning the approval by the European Community of the Grains Trade Convention and the Food Aid Convention, constituting the International Grains Agreement 1995 (OJ L 21 , 27.1.1996, p. 47).
- Council Regulation (EC) No 1292/96 of 27 June 1996 on food aid policy and food aid management and special operations in support of food security (OJ L 166, 5.7.1996, p. 1).
- Council Regulation (EC) No 1257/96 of 20 June 1996 concerning humanitarian aid (OJ L 163, 2.7.1996, p. 1).

#### 2. Community measures to support NGOs (Chapter B7.60)

- Resolution of the European Parliament of 14 May 1992 on the role of the non-governmental organisations in development cooperation (OJ C 150, 15.6.1992, p. 273).
- Council Regulation (EC) No 1658/98 of 17 July 1998 on co-financing operations with European non-governmental development organisations in fields of interest to the developing countries (OJ L 213, 30.7.1998, p. 1).

#### 3. Training and promotion of awareness of development issues (Chapter B7.61)

- Council Regulation (EC) No 2836/98 of 22 December 1998 on integrating gender issues in development cooperation (OJ L 354, 30.12.1998, p. 5).

#### 4. Environment, health and the fight against drugs in the developing countries (Chapter B7.62)

- Council Regulation (EC) No 722/97 of 22 April 1997 on environmental measures in developing countries in the context of sustainable development (OJ L 108, 25.4.1997, p. 1). (this Regulation expires on 31 December 1999).

Proposal for a Council Regulation, presented by the Commission on 28 January 1999, on measures to promote the full integration of the environmental dimension in the development process of developing countries [COM (1999) 36 final].

- Council Regulation (EC) No 2046/97 of 13 October 1997 on north-south cooperation in the campaign against drugs and drug addiction (OJ L 287, 21.10.1997, p. 1).

- Council Regulation (EC) No 550/97 of 24 March 1997 on HIV/AIDS-related operations in developing countries (OJ L 85, 27.3.1997, p. 1).
  - 5. Population and demography in the developing countries (Chapter B7.63)
- Council Regulation (EC) No 1484/97 of 22 July 1997 on aid for population policies and programmes in the developing countries (OJ L 202, 30.7.1997, p. 1).
  - 6. Specific aid schemes in the development field (Chapter B7.64)
- Council Regulation (EC) No 2258/96 of 22 November 1996 on rehabilitation and reconstruction operations in developing countries (OJ L 306, 28.11.1996, p. 1).
- Council Regulation (EC) No 1659/98 of 17 July 1998 on decentralised cooperation (OJ L 213, 30.7.1998, p. 6).
  - 7. Campaign against sex tourism in third countries (Chapter B7.663)
- Implementation of the activities envisaged under the campaign against child sex tourism will continue on the basis of the Commission communication of 27 November 1996, which was welcomed both by the European Parliament (resolution of 6 November 1997) and the Council (declaration of 26 November 1997).

## ANNEX II F

### COMMUNITY FINANCIAL ASSISTANCE:

#### COMMUNITY PROGRAMMES OPEN TO THE OCTs

The following programmes, and any programmes succeeding them, shall apply to OCT nationals within the framework of the quota for their Member State:

1. Education and training programmes:
  - (a) Leonardo da Vinci, second phase of the Community vocational training action programme, set up by Council Decision 1999/382/EC of 26 April 1999,<sup>22</sup>
  - (b) promotion of European pathways for work-linked training, including apprenticeship, set up by Council Decision 1999/51/EC of 21 December 1998,<sup>23</sup>
  - (c) Socrates, second phase of the Community action programme in the field of education, set up by Decision 253/2000/EC of the European Parliament and of the Council of 24 January 2000,<sup>24</sup>
  - (d) Youth Community action programme, established by Decision 1031/2000/EC of the European Parliament and of the Council of 13 April 2000,<sup>25</sup>
2. The enterprise support programmes:
  - (a) Multi-annual Programme for Enterprise and Entrepreneurship (2001-2005) COM(2000)256 of 11.5.2000,
  - (b) Artisanat,
  - (c) Euromanagement,
  - (d) Seed capital, set up by Council Decision 97/15/EC of 9 December 1996.<sup>26</sup>
3. Research, development and innovation programmes of the 5th Framework Programme:
  - 3.1. Theme programmes :
    - (a) Specific programme for research, technological development and demonstration on quality of life and management of living resources (1998 to 2002) (OJ L 64, 12.3.1999, p.1)
    - (b) for research, technological development and demonstration on a user-friendly information society (1998 to 2002) (OJ L 64, 12.3.1999, p.20)

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<sup>22</sup> OJ L 146, 11.6.1999, p. 33

<sup>23</sup> OJ L 17, 22.1.1999, p. 45.

<sup>24</sup> OJ L 28, 3.2.2000, p. 1

<sup>25</sup> OJ L 117, 18.05.2000, p. 1.

<sup>26</sup> OJ L 6, 10.1.1997, p. 25.

- (c) Specific programme for research, technological development and demonstration on competitive and sustainable growth (1998 to 2002) (OJ L 64, 12.3.1999, p.40)
  - (d) Specific programme for research, technological development and demonstration on energy, environment and sustainable development (1998 to 2002) (OJ L 64, 12.3.1999, p.58)
- 3.2. Horizontal Programmes :
- (a) Specific programme on confirming the international role of Community research (1998-2002) (OJ L 64, 12.3.1999, p.78)
  - (b) Specific programme for research, technological development and demonstration on promotion of innovation and encouragement of SME participation (1998-2002) (OJ L 64, 12.3.1999, p.91)
  - (c) Specific programme for research, technological development and demonstration on improving the human research potential and the socio-economic knowledge base (1998-2002) (OJ L 64, 12.3.1999, p.105)
4. Cultural and audio-visual programmes:
- (a) proposal for a Council decision on the implementation of a programme to encourage the development, distribution and promotion of European audio-visual works (Media Plus - Development, Distribution and Promotion) for the period 2001-2005
  - (b) Culture 2000 (2000-2004) , set up by Decision 508/2000/EC of the European Parliament and the Council of 14 February 2000,<sup>27</sup>
5. The HRTP Japan programme (human resources training programme in Japan) and topical missions, set up by Council Decision 92/278/EEC of 18 May 1992.<sup>28</sup>

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<sup>27</sup> OJ L 63, 10.3.2000, p. 1.

<sup>28</sup> OJ L 144, 26.5.1992, p. 19.

## **ANNEX III**

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

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TITLE I  
GENERAL PROVISIONS

*Article I*

Definitions

For the purposes of this Annexe :

- (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) "added value" 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 Annexe 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 Annexe ;
  - (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 Annexe .
2. For the purpose of implementing paragraph 1, the territories of the OCT shall be considered as being one territory.

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 Annexe.

#### *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 their 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 an EC Member State or in an ACP State
- (b) which sail under the flag of an OCT, of an 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 one of these States or OCT, 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 Annexe, 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 Annex 2 to this Annex are fulfilled.

The conditions referred to above indicate, for all products covered by this Agreement, 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) operations to ensure the preservation of products in good condition during transport and storage (ventilation, spreading out, drying, chilling, freezing, placing in salt, sulphur dioxide or other aqueous solutions, smoking, removal of damaged parts, and like operations ;
  - (b) simple operations consisting of removal of dust, husking, partial or total bleaching, polishing, glazing, (for cereals and rice), sifting or screening, forming sugar lumps or milling sugar, pulverising, colouring, sorting, classifying, grading, matching (including the making-up of sets of articles), washing, painting, cutting up; shelling, stoning, peeling of fruits, nuts and vegetables ;
  - (c)
    - (i) changes of packaging and breaking up and assembly of consignments;
    - (ii) simple placing in bottles, flasks, bags, cases, boxes, fixing on cards or boards, etc., and all other simple packaging operations;

- (d) affixing marks, labels and other like distinguishing signs on products or their packaging;
  - (e) 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 Annexe to enable them to be considered as originating in the OCT, in the Community or in an ACP State;
  - (f) simple assembly of parts to constitute a complete product;
  - (g) a combination of two or more operations specified in subparagraphs (a) to (f);
  - (h) 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 enjoy financial benefits when exported.

Paragraphs 1 and 2 shall not apply to products falling within Chapter 17 and HS tariff headings 1806 10 30 and 1806 10 90.

5. With regard to products falling within HS code 1006 and without prejudice to the possible increases referred to in subparagraphs 4 and 5, the ACP/OCT cumulation of origin shall be allowed up to a total annual quantity of 160 000 tonnes expressed as husked rice equivalent, which will include the tariff quota for rice originating in the ACP States provided for in the ACP-EC Partnership Agreement.

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

An initial issue of import licences for a quantity of 35 000 tonnes expressed as husked rice equivalent shall be made to the OCT's in January each year, and within this quantity, import licences for a quantity of 10 000 tonnes expressed as husked rice equivalent shall be issued to the least developed OCT listed in Annexe Ib. OCT imports may reach the level of 160 000 tonnes referred to in the first paragraph, including the above-mentioned 35 000 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.

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 20 000 tonnes expressed as husked rice equivalent if, during April and once it has a sufficiently clear picture 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 normal management procedures, increase the above quantities.

For the purposes of implementing this paragraph, milling or semi-milling operations shall be considered as sufficient to confer the status of OCT-originating products.

The Commission shall adopt the 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 Annexe 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 Annexe.
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 Annexe, which are transported directly between the territory 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 organized 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 Annex 3 to this Annex; or

- (b) in the cases specified in Article 19(1), a declaration, the text of which appears in Annex 4 to this Annex, 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 Annexe 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 authorized representative.
2. For this purpose, the exporter or his authorized representative shall fill out both the movement certificate EUR.1 and the application form, specimens of which appear in Annex 3 to this Annex. These forms shall be completed in accordance with the provisions of this Annexe. 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.
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 Annexe.
4. A movement certificate EUR.1 shall be issued by the customs authorities of the exporting OCT if the products concerned can be considered as products originating in the OCT, in the ACP or in the Community and fulfil the other requirements of this Annexe.
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 Annexe. 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.
6. The date of issue of the movement certificate EUR.1 shall be indicated in Box 11 of the certificate.
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.

## Article 16

### Movement certificates EUR.1 issued retrospectively

1. Notwithstanding Article 15(7), a movement certificate EUR.1 may exceptionally be issued after exportation of the products to which it relates if:
  - (a) it was not issued at the time of exportation because of errors or involuntary omissions or special circumstances; or
  - (b) it is demonstrated to the satisfaction of the customs authorities that a movement certificate EUR.1 was issued but was not accepted at importation for technical reasons.
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:

"NACHTRÄGLICH AUSGESTELLT", "DÉLIVRÉ A POSTERIORI",

"RILASCIATO A POSTERIORI", "AFGEGEVEN A POSTERIORI",

"ISSUED RETROSPECTIVELY", "UDSTEDT EFTERFØLGENDE",

"ΕΚΔΟΘΕΝ ΕΚ ΤΩΝ ΥΣΤΕΡΩΝ", "EXPEDIDO 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 EUR.1.

## Article 17

### 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 issued in this way must be endorsed with one of the following words:

"DUPLIKAT", "DUPLICATA", "DUPLICATO", "DUPLICAAT", "DUPLICATE",  
"ΑΝΤΙΓΡΑΦΟ", "DUPLICADO", "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 6 000EUR.
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 Annex 4 to this Annex, 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 OCT 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 Annexe.
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 OCT, 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 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 Annexe 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 1 200 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 annexe 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 Annex 5 A to this Annex, 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 Annex 5 B to this Annex, 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.

## *Article 27*

### Supporting documents

The documents referred to in Articles 15(3) and 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 an ACP or in the Community and fulfil the other requirements of this Annexe may consist inter alia of the following:

1. 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;
2. documents proving the originating status of materials used, issued or made out in an OCT, an ACP State or in the Community where these documents are used in accordance with domestic law;
3. 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;
4. movement certificates EUR.1 or invoice declarations proving the originating status of materials used, issued or made out in the OCT, in the ACP States or in the Community and in accordance with this Annexe .

## *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 EUR

1. The amounts to be used in any given national currency of a Member State or of an OCT shall be the equivalent in that national currency of the amounts expressed in EUR as at the first working day in October 1999.
2. The amounts expressed in EUR and their equivalents in the national currencies of some EC Member States and of the OCT shall be reviewed by the Customs Code Committee (Origin Section) at the request of the Community or of the OCT. When carrying out this review, the Community 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 EUR.
3. When the products are invoiced in the currency of another EC Member State, the importing country shall recognise the amount notified by the Member State concerned.

### TITLE V

#### ARRANGEMENTS FOR ADMINISTRATIVE COOPERATION

### *Article 31*

#### Mutual assistance

1. 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.

2. In order to ensure the proper application of this Annexe , 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, ACP States or Member States concerned.

### *Article 32*

#### Verification of proofs of origin

1. 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 Annexe .
2. For the purposes of implementing the provisions of paragraph 1, 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 OCT 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.
3. The verification shall be carried out by the customs authorities of the exporting OCT. 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.
4. 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.
5. 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 in the OCT, in the ACP or in the Community and fulfil the other requirements of this Annexe .
6. 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.
7. Where the verification procedure or any other available information appears to indicate that the provisions of this Annexe 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 Annex 6 to this Annexe . 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 Annexe , they shall be submitted to the Customs Code Committee - Origin Section instituted by Council Regulation (EEC) No 2913/92 of 12 October 1992 establishing the Community Customs Code.<sup>29</sup>

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.

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<sup>29</sup> OJ L 302, 19.10.1992, p. 1.

## *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 Annexe .

## *Article 37*

### Derogations

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

The Member State or, where appropriate, the relevant authorities of the OCT 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 Annex 7 to this Annexe , 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, Decision 2000/399/EC<sup>30</sup> 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 they are 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 Annexe 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 Annexe 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.

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<sup>30</sup> OJ L 151, 24.6.2000, p.16.

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 by the procedure laid down in Article 249(2) and (3) of Regulation No 2913/92 of 12 October 1992 establishing the Community Customs Code.<sup>31</sup>

#### *Article 40*

##### Annexes

The Annexes 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 .

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<sup>31</sup> OJ L 302, 10.10.1992, p.1.

## Annex 1 to ANNEX III

### Introductory notes to the list in Annex 2 to Annex III

#### **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 Annexe II.

#### **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 Harmonised 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 Harmonised 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 Annexe VII 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 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 (metallised 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 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<sup>1</sup> 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<sup>1</sup>;
  - (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; neutralisation with alkaline agents; decolorisation and purification with naturally active earth, activated earth, activated charcoal or bauxite;
  - (g) polymerisation;
  - (h) alkylation;
  - (i) isomerisation.
- 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

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<sup>1</sup> idem

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

- (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; neutralisation with alkaline agents; decolorisation and purification with naturally active earth, activated earth, activated charcoal or bauxite;
- (g) polymerisation;
- (h) alkylation;
- (ij) isomerisation;
- (k) in respect of heavy oils falling within heading No ex 2710 only, desulphurisation 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 desulphurisation, 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 decolorisation) 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.

## **Declaration**

### **Transitional period concerning the issuing or making out of documents relating to the proof of origin**

1. Until 31 December 2001, the customs authorities of the Community shall accept as valid proof of origin within the meaning of Annexe (...)EUR 2 forms issued within the context of Decision 91/48/EEC of 25 July 1991.
2. Requests for subsequent verification of EUR 2 forms shall be accepted by the competent customs authorities of the OCT for a period of two years after the issuing and making out of the proof of origin concerned. These verifications shall be carried out in accordance with the Title V of Annexe (...).

**Annex 2 to ANNEX III**

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



Chapter 01	Live animals	All the animals of Chapter 1 used must be wholly obtained
Chapter 02	Meat and edible meat offal	Manufacture in which all the materials of Chapters 1 and 2 used must be wholly obtained
Chapter 03	Fish and crustaceans, molluscs and other aquatic invertebrates	Manufacture in which all the materials of Chapter 3 used must be wholly obtained
ex Chapter 04	Dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere specified or included; except for:	Manufacture in which all the materials of Chapter 4 used must be wholly obtained
0403	Buttermilk, curdled milk and cream, yoghurt, kephir and other fermented or acidified milk and cream, whether or not concentrated or containing added sugar or other sweetening matter or flavoured or containing added fruit, nuts or cocoa	<p>Manufacture in which:</p> <ul style="list-style-type: none"> <li>- all the materials of Chapter 4 used must be wholly obtained;</li> <li>- any fruit juice (except those of pineapple, lime or grapefruit) of heading No 2009 used must already be originating;</li> <li>- the value of any materials of Chapter 17 used does not exceed 30% of the ex-works price of the product</li> </ul>
ex Chapter 05	Products of animal origin, not elsewhere specified or included; except for:	Manufacture in which all the materials of Chapter 5 used must be wholly obtained

ex 0502

Prepared pigs', hogs' or  
boars' bristles and hair

Cleaning, disinfecting,  
sorting and straightening of  
bristles and hair

Chapter 06	Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage	<p>Manufacture in which:</p> <ul style="list-style-type: none"> <li>- all the materials of Chapter 6 used must be wholly obtained;</li> <li>- the value of all the materials used does not exceed 50% of the ex-works price of the product</li> </ul>
Chapter 07	Edible vegetables and certain roots and tubers	Manufacture in which all the materials of Chapter 7 used must be wholly obtained
Chapter 08	Edible fruit and nuts; peel of citrus fruits or melons	<p>Manufacture in which:</p> <ul style="list-style-type: none"> <li>- all the fruit and nuts used must be wholly obtained;</li> <li>- the value of any materials of Chapter 17 used does not exceed 30 % of the value of the ex-works price of the product</li> </ul>
ex Chapter 09	Coffee, tea, maté and spices; except for:	Manufacture in which all the materials of Chapter 9 used must be wholly obtained
0901	Coffee, whether or not roasted or decaffeinated; coffee husks and skins; coffee substitutes containing coffee in any proportion	Manufacture from materials of any heading
0902	Tea, whether or not flavoured	Manufacture from materials of any heading
ex 0910	Mixtures of spices	Manufacture from materials of any heading

Chapter 10	Cereals	Manufacture in which all the materials of Chapter 10 used must be wholly obtained
ex Chapter 11	Products of the milling industry; malt; starches; inulin; wheat gluten; except for:	Manufacture in which all the cereals, edible vegetables, roots and tubers of heading No 0714 or fruit used must be wholly obtained
ex 1106	Flour, meal and powder of the dried, shelled leguminous vegetables of heading No 0713	Drying and milling of leguminous vegetables of heading No 0708
Chapter 12	Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal plants; straw and fodder	Manufacture in which all the materials of Chapter 12 used must be wholly obtained
1301	Lac; natural gums, resins, gum-resins and oleoresins (for example, balsams)	Manufacture in which the value of any materials of heading No 1301 used may not exceed 50% of the ex-works price of the product
1302	Vegetable saps and extracts; pectic substances, pectinates and pectates; agar-agar and other mucilages and thickeners, whether or not modified, derived from vegetable products:	
	- Mucilages and thickeners, modified, derived from vegetable products	Manufacture from non-modified mucilages and thickeners

	- Other	Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
Chapter 14	Vegetable plaiting materials; vegetable products not elsewhere specified or included	Manufacture in which all the materials of Chapter 14 used must be wholly obtained
ex Chapter 15	Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animals or vegetable waxes; except for:	Manufacture in which all the materials used are classified within a heading other than that of the product
1501	Pig fat (including lard) and poultry fat, other than that of heading no. 0209 or 1503:	
	- Fats from bones or waste	Manufacture from materials of any heading except those of heading Nos 0203, 0206 or 0207 or bones of heading No 0506
	- Other	Manufacture from meat or edible offal of swine of heading No 0203 or 0206 or of meat and edible offal of poultry of heading No 0207
1502	Fats of bovine animals, sheep or goats, other than those of heading No. 1503	

	- Fats from bones or waste	Manufacture from materials of any heading except those of heading Nos 0201, 0202, 0204 or 0206 or bones of heading No 0506
	- Other	Manufacture in which all the materials of Chapter 2 used must be wholly obtained
1504	Fats and oils and their fractions, of fish or marine mammals, whether or not refined, but not chemically modified:	
	- Solid fractions	Manufacture from materials of any heading including other materials of heading No 1504
	- Other	Manufacture in which all the materials of Chapters 2 and 3 used must be wholly obtained
ex 1505	Refined lanolin	Manufacture from crude wool grease of heading No 1505
1506	Other animals fats and oils and their fractions, whether or not refined, but not chemically modified:	
	- Solid fractions	Manufacture from materials of any heading including other materials of heading No 1506

	- Other	Manufacture in which all the materials of Chapter 2 used must be wholly obtained
1507 to 1515	Vegetable oils and their fractions:	
	- Soya, ground nut, palm, copra, palm kernel, babassu, tung and oiticica oil, myrtle wax and Japan wax, fractions of jojoba oil and oils for technical or industrial uses other than the manufacture of foodstuffs for human consumption	Manufacture in which all the materials used are classified within a heading other than that of the product
	- Solid fractions, except for that of jojoba oil	Manufacture from other materials of heading Nos. 1507 to 1515
	- Other	Manufacture in which all the vegetable materials used must be wholly obtained
1516	Animal or vegetable fats and oils and their fractions, partly or wholly hydrogenated, inter-esterified, re-esterified or elaidinised, whether or not refined, but not further prepared	Manufacture in which: - all the materials of Chapter 2 used must be wholly obtained; - all the vegetable materials used must be wholly obtained. However, materials of headings 1507, 1508, 1511 and 1513 may be used

1517	Margarine; edible mixtures or preparations of animal or vegetable fats or oils or of fractions of different fats or oils of this Chapter, other than edible fats or oils or their fractions of heading No 1516	Manufacture in which: - all the materials of Chapters 2 and 4 used must be wholly obtained;  - all the vegetable materials used must be wholly obtained. However, materials of headings 1507, 1508, 1511 and 1513 may be used
Chapter 16	Preparations of meat, of fish or of crustaceans, molluscs or other aquatic invertebrates	Manufacture from animals of Chapter 1. All the materials of Chapter 3 used must be wholly obtained
ex Chapter 17	Sugars and sugar confectionery; except for:	Manufacture in which all the materials used are classified within a heading other than that of the product
ex 1701	Cane or beet sugar and chemically pure sucrose, in solid form, flavoured or coloured	Manufacture in which the value of any materials of Chapter 17 used does not exceed 30% of the ex-works price of the product
1702	Other sugars, including chemically pure lactose, maltose, glucose and fructose, in solid form; sugar syrups not containing added flavouring or colouring matter; artificial honey, whether or not mixed with natural honey; caramel:	



	- Chemically pure maltose and fructose	Manufacture from materials of any heading including other materials of heading No 1702
	- Other sugars in solid form, flavoured or coloured	Manufacture in which the value of any materials of Chapter 17 used does not exceed 30% of the ex-works price of the product
	- Other	Manufacture in which all the materials used must already be originating
ex 1703	Molasses resulting from the extraction or refining of sugar, flavoured or coloured	Manufacture in which the value of any materials of Chapter 17 used does not exceed 30% of the ex-works price of the product
1704	Sugar confectionery (including white chocolate), not containing cocoa	<p>Manufacture in which:</p> <ul style="list-style-type: none"> <li>- all the materials used are classified within a heading other than that of the product;</li> <li>- the value of any materials of Chapter 17 used does not exceed 30% of the ex-works price of the product</li> </ul>
Chapter 18	Cocoa and cocoa preparations	<p>Manufacture in which:</p> <ul style="list-style-type: none"> <li>- all the materials used are classified within a heading other than that of the product;</li> <li>- the value of any materials of Chapter 17 used does not exceed 30% of the ex-works price of the product</li> </ul>

1901

Malt extract; food preparations of flour, meal, starch or malt extract, not containing cocoa or containing less than 40% by weight of cocoa calculated on a totally defatted basis, not elsewhere specified or included; food preparations of goods of heading Nos. 0401 to 0404, not containing cocoa or containing less than 5% by weight of cocoa calculated on a totally defatted basis, not elsewhere specified or included:

- Malt extract                      Manufacture from cereals of Chapter 10

- Other                                      Manufacture in which:

- all the materials used are classified within a heading other than that of the product;

- the value of any materials of Chapter 17 used does not exceed 30% of the ex-works price of the product

1902

Pasta, whether or not cooked or stuffed (with meat or other substances) or otherwise prepared, such as spaghetti, macaroni, noodles, lasagne, gnocchi, ravioli, cannelloni; couscous, whether or not prepared:

	- Containing 20% or less by weight of meat, meat offal, fish, crustaceans or molluscs	Manufacture in which all the cereals and derivatives (except durum wheat and its derivatives) used must be wholly obtained
	- Containing more than 20% by weight of meat, meat offal, fish, crustaceans or molluscs	Manufacture in which: - all cereals and derivatives (except durum wheat and its derivatives) used must be wholly obtained;  - all the materials of Chapters 2 and 3 used must be wholly obtained
1903	Tapioca and substitutes therefor prepared from starch, in the form of flakes, grains, pearls, siftings or in similar forms	Manufacture from materials of any heading except potato starch of heading No. 1108
1904	Prepared foods obtained by the swelling or roasting of cereals or cereal products (for example, corn flakes); cereals (other than maize (corn)) in grain form or in the form of flakes or other worked grains (except flour and meal), pre-cooked, or otherwise prepared, not elsewhere specified or included	Manufacture: - from materials not classified within heading No 1806;  - in which all the cereals and flour (except durum wheat and its derivatives and Zea indurata maize) used must be wholly obtained <sup>1</sup> ;  - in which the value of any materials of Chapter 17 used does not exceed 30% of the ex-works price of the product

<sup>1</sup> The exception concerning the Zea indurata maize is applicable until 31.12.2002.

1905	Bread, pastry, cakes, biscuits and other bakers' wares, whether or not containing cocoa; communion wafers, empty cachets of a kind suitable for pharmaceutical use, sealing wafers, rice paper and similar products	Manufacture from materials of any heading except those of Chapter 11
ex Chapter 20	Preparations of vegetables, fruit, nuts or other parts of plants; except for:	Manufacture in which all the fruit, nuts or vegetables used must be wholly obtained
ex 2001	Yams, sweet potatoes and similar edible parts of plants containing 5% or more by weight of starch, prepared or preserved by vinegar or acetic acid	Manufacture in which all the materials used are classified within a heading other than that of the product
ex 2004 and ex 2005	Potatoes in the form of flour, meal or flakes, prepared or preserved otherwise than by vinegar or acetic acid	Manufacture in which all the materials used are classified within a heading other than that of the product
2006	Vegetables, fruit, nuts, fruit-peel and other parts of plants, preserved by sugar (drained, glacé or crystallised)	Manufacture in which the value of any materials of Chapter 17 used does not exceed 30% of the ex-works price of the product

2007

Jams, fruit jellies, marmalades, fruit or nut purée and fruit or nut pastes, being cooked preparations, whether or not containing added sugar or other sweetening matter

Manufacture in which:

- all the materials used are classified within a heading other than that of the product;

- the value of any materials of Chapter 17 used does not exceed 30% of the ex-works price of the product

ex 2008	- Nuts, not containing added sugar or spirit	Manufacture in which the value of the originating nuts and oil seeds of heading Nos 0801, 0802 and 1202 to 1207 used exceeds 60% of the ex-works price of the product
	- Peanut butter; mixtures based on cereals; palm hearts; maize (corn)	Manufacture in which all the materials used are classified within a heading other than that of the product
	- Other except for fruit and nuts cooked otherwise than by steaming or boiling in water, not containing added sugar, frozen	<p>Manufacture in which:</p> <ul style="list-style-type: none"> <li>- all the materials used are classified within a heading other than that of the product;</li> <li>- the value of any materials of Chapter 17 used does not exceed 30% of the ex-works price of the product</li> </ul>
2009	Fruit juices (including grape must) and vegetable juices, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter	<p>Manufacture in which:</p> <ul style="list-style-type: none"> <li>- all the materials used are classified within a heading other than that of the product;</li> <li>- the value of any materials of Chapter 17 used does not exceed 30% of the ex-works price of the product</li> </ul>
ex Chapter 21	Miscellaneous edible preparations; except for:	Manufacture in which all the materials used are classified within a heading other than that of the product

2101	Extracts, essences and concentrates, of coffee, tea or maté and preparations with a basis of these products or with a basis of coffee, tea or maté; roasted chicory and other roasted coffee substitutes, and extracts, essences and concentrates thereof	<p>Manufacture in which:</p> <ul style="list-style-type: none"> <li>- all the materials used are classified within a heading other than that of the product;</li> <li>- all the chicory used must be wholly obtained</li> </ul>
2103	Sauces and preparations therefor; mixed condiments and mixed seasonings; mustard flour and meal and prepared mustard:	<p>- Sauces and preparations therefor; mixed condiments and mixed seasonings</p> <p>Manufacture in which all the materials used are classified within a heading other than that of the product. However, mustard flour or meal or prepared mustard may be used</p> <p>- Mustard flour and meal and prepared mustard</p> <p>Manufacture from materials of any heading</p>
ex 2104	Soups and broths and preparations therefor	Manufacture from materials of any heading except prepared or preserved vegetables of heading Nos 2002 to 2005

2106	Food preparations not elsewhere specified or included	<p>Manufacture in which:</p> <ul style="list-style-type: none"> <li>- all the materials used are classified within a heading other than that of the product;</li> <li>- the value of any materials of Chapter 17 used does not exceed 30% of the ex-works price of the product</li> </ul>
ex Chapter 22	Beverages, spirits and vinegar; except for:	<p>Manufacture in which:</p> <ul style="list-style-type: none"> <li>- all the materials used are classified within a heading other than that of the product;</li> <li>- all the grapes or any material derived from grapes used must be wholly obtained</li> </ul>
2202	Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavoured, and other non-alcoholic beverages, not including fruit or vegetable juices of heading No 2009	<p>Manufacture in which:</p> <ul style="list-style-type: none"> <li>- all the materials used are classified within a heading other than that of the product;</li> <li>- the value of any materials of Chapter 17 used does not exceed 30% of the ex-works price of the product;</li> <li>- any fruit juice used (except for pineapple, lime and grapefruit juices) must already be originating</li> </ul>



2207	Undenatured ethyl alcohol of an alcoholic strength by volume of 80% vol or higher; ethyl alcohol and other spirits, denatured, of any strength.	<p>Manufacture:</p> <ul style="list-style-type: none"> <li>- using materials not classified in headings 2207 or 2208,</li> <li>- in which all the grapes or any materials derived from grapes used must be wholly obtained or if all the other materials used are already originating, arrack may be used up to a limit of 5% by volume</li> </ul>
2208	Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80% vol; spirits, liqueurs and other spirituous beverages	<p>Manufacture:</p> <ul style="list-style-type: none"> <li>- from materials not classified within heading Nos 2207 or 2208,</li> <li>- in which all the grapes or any material derived from grapes used must be wholly obtained or if all the other materials used are already originating, arrack may be used up to a limit of 5% by volume</li> </ul>
ex Chapter 23	Residues and waste from the food industries; prepared animal fodder; except for:	Manufacture in which all the materials used are classified within a heading other than that of the product
ex 2301	Whale meal; flours, meals and pellets of fish or of crustaceans, molluscs or other aquatic invertebrates, unfit for human consumption	Manufacture in which all the materials of Chapters 2 and 3 used must be wholly obtained
ex 2303	Residues from the manufacture of starch from maize (excluding concentrated steeping liquors), of a protein content, calculated on the dry product, exceeding 40% by weight	Manufacture in which all the maize used must be wholly obtained

ex 2306

Oil cake and other solid residues resulting from the extraction of olive oil, containing more than 3% of olive oil

Manufacture in which all the olives used must be wholly obtained

2309	Preparations of a kind used in animal feeding	Manufacture in which: - all the cereals, sugar or molasses, meat or milk used must already be originating;  - all the materials of Chapter 3 used must be wholly obtained
ex Chapter 24	Tobacco and manufactured tobacco substitutes; except for:	Manufacture in which all the materials of Chapter 24 used must be wholly obtained
2402	Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes	Manufacture in which at least 70% by weight of the unmanufactured tobacco or tobacco refuse of heading No 2401 used must already be originating
ex 2403	Smoking tobacco	Manufacture in which at least 70% by weight of the unmanufactured tobacco or tobacco refuse of heading No 2401 used must already be originating
ex Chapter 25	Salt; sulphur; earths and stone; plastering materials, lime and cement; except for:	Manufacture in which all the materials used are classified within a heading other than that of the product
ex 2504	Natural crystalline graphite, with enriched carbon content, purified and ground	Enriching of the carbon content, purifying and grinding of crude crystalline graphite

ex 2515	Marble, merely cut, by sawing or otherwise, into blocks or slabs of a rectangular (including square) shape, of a thickness not exceeding 25 cm	Cutting, by sawing or otherwise, of marble (even if already sawn) of a thickness exceeding 25 cm
ex 2516	Granite, porphyry, basalt, sandstone and other monumental and building stone, merely cut, by sawing or otherwise, into blocks or slabs of a rectangular (including square) shape, of a thickness not exceeding 25 cm	Cutting, by sawing or otherwise, of stone (even if already sawn) of a thickness exceeding 25 cm
ex 2518	Calcined dolomite	Calcination of dolomite not calcined
ex 2519	Crushed natural magnesium carbonate (magnesite), in hermetically-sealed containers, and magnesium oxide, whether or not pure, other than fused magnesia or dead-burned (sintered) magnesia	Manufacture in which all the materials used are classified within a heading other than that of the product. However, natural magnesium carbonate (magnesite) may be used
ex 2520	Plasters specially prepared for dentistry	Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
ex 2524	Natural asbestos fibres	Manufacture from asbestos concentrate
ex 2525	Mica powder	Grinding of mica or mica waste

ex 2530	Earth colours, calcined or powdered	Calcination or grinding of earth colours
Chapter 26	Ores, slag and ash	Manufacture in which all the materials used are classified within a heading other than that of the product

ex Chapter 27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes; except for:	Manufacture in which all the materials used are classified within a heading other than that of the product
ex 2707	Oils in which the weight of the aromatic constituents exceeds that of the non-aromatic constituents, being oils similar to mineral oils obtained by distillation of high temperature coal tar, of which more than 65% by volume distils at a temperature of up to 250°C (including mixtures of petroleum spirit and benzole), for use as power or heating fuels	Operations of refining and/or one or more specific process(es) <sup>1</sup> or Other operations in which all the materials used are classified within a heading other than that of the product. However, materials classified within the same heading may be used provided their value does not exceed 50% of the ex-works price of the product
ex 2709	Crude oils obtained from bituminous minerals	Destructive distillation of bituminous materials
2710	Petroleum oils and oils obtained from bituminous materials, other than crude; preparations not elsewhere specified or included, containing by weight 70% or more of petroleum oils or of oils obtained from bituminous materials, these oils being the basic constituents of the preparations	Operations of refining and/or one or more specific process(es) <sup>1</sup> or Other operations in which all the materials used are classified within a heading other than that of the product. However, materials classified within the same heading may be used provided their value does not exceed 50% of the ex-works price of the product

<sup>1</sup> For the special conditions relating to "specific processes" see Introductory Notes 7.1 and 7.3

2711 Petroleum gases and other gaseous hydrocarbons Operations of refining and/or one or more specific process(es)<sup>1</sup>

or

Other operations in which all the materials used are classified within a heading other than that of the product. However, materials classified within the same heading may be used provided their value does not exceed 50% of the ex-works price of the product

2712 Petroleum jelly; paraffin wax, microcrystalline petroleum wax, slack wax, ozokerite, lignite wax, peat wax, other mineral waxes and similar products obtained by synthesis or by other processes, whether or not coloured Operations of refining and/or one or more specific process(es)<sup>1</sup>

or

Other operations in which all the materials used are classified within a heading other than that of the product. However, materials classified within the same heading may be used provided their value does not exceed 50% of the ex-works price of the product

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<sup>1</sup> For the special conditions relating to "specific processes" see Introductory Note 7.2

<sup>1</sup> For the special conditions relating to "specific processes" see Introductory Note 7.2

2713 Petroleum coke, Operations of refining petroleum bitumen and and/or one or more specific other residues of process(es)<sup>1</sup> petroleum oils or of oils obtained from bituminous materials or

Other operations in which all the materials used are classified within a heading other than that of the product. However, materials classified within the same heading may be used provided their value does not exceed 50% of the ex-works price of the product

2714 Bitumen and asphalt, Operations of refining natural; bituminous or oil and/or one or more specific shale and tar sands; process(es)<sup>1</sup> asphaltites and asphaltic rocks or

Other operations in which all the materials used are classified within a heading other than that of the product. However, materials classified within the same heading may be used provided their value does not exceed 50% of the ex-works price of the product

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<sup>1</sup> For the special conditions relating to "specific processes" see Introductory Notes 7.1 and 7.3



2715	Bituminous mixtures based on natural asphalt, on natural bitumen, on petroleum bitumen, on mineral tar or on mineral tar pitch (for example, bituminous mastics, cut-backs)	Operations of refining and/or one or more specific process(es) <sup>1</sup>  or  Other operations in which all the materials used are classified within a heading other than that of the product. However, materials classified within the same heading may be used provided their value does not exceed 50% of the ex-works price of the product	
ex Chapter 28	Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, of radioactive elements or of isotopes; except for:	Manufacture in which all the materials used are classified within a heading other than that of the product. However, materials classified within the same heading may be used provided their value does not exceed 20% of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product
ex 2805	"Mischmetall"	Manufacture by electrolytic or thermal treatment in which the value of all the materials used does not exceed 50% of the ex-works price of the product	
ex 2811	Sulphur trioxide	Manufacture from sulphur dioxide	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product

ex 2833	Aluminium sulphate		Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product	
ex 2840	Sodium perborate		Manufacture from disodium tetraborate pentahydrate	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product
ex Chapter 29	Organic chemicals; except for:		Manufacture in which all the materials used are classified within a heading other than that of the product. However, materials classified within the same heading may be used provided their value does not exceed 20% of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product
ex 2901	Acyclic hydrocarbons for use as power or heating fuels		Operations of refining and/or one or more specific process(es) <sup>1</sup>  or  Other operations in which all the materials used are classified within a heading other than that of the product. However, materials classified within the same heading may be used provided their value does not exceed 50% of the ex-works price of the product	

<sup>1</sup> For the special conditions relating to "specific processes" see Introductory Notes 7.1 and 7.3

ex 2902	Cyclanes and cyclenes (other than azulenes), benzene, toluene, xylenes, for use as power or heating fuels	Operations of refining and/or one or more specific process(es) <sup>1</sup> or  Other operations in which all the materials used are classified within a heading other than that of the product. However, materials classified within the same heading may be used, provided their value does not exceed 50% of the ex-works price of the product	
ex 2905	Metal alcoholates of alcohols of this heading and of ethanol	Manufacture from materials of any heading, including other materials of heading No 2905. However, metal alcoholates of this heading may be used, provided their value does not exceed 20% of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product
2915	Saturated acyclic monocarboxylic acids and their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives	Manufacture from materials of any heading. However, the value of all the materials of headings Nos 2915 and 2916 used may not exceed 20% of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product

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<sup>1</sup> For the special conditions relating to "specific processes" see Introductory Notes 7.1 and 7.3

ex 2932	- Internal ethers and their halogenated, sulphonated, nitrated or nitrosated derivatives	Manufacture from materials of any heading. However, the value of all the materials of heading No 2909 used may not exceed 20% of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product
	- Cyclic acetals and internal hemiacetals and their halogenated, sulphonated, nitrated or nitrosated derivatives	Manufacture from materials of any heading	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product
2933	Heterocyclic compounds with nitrogen hetero-atom(s) only	Manufacture from materials of any heading. However, the value of all the materials of headings Nos 2932 and 2933 used may not exceed 20% of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product
2934	Nucleic acids and their salts; other heterocyclic compounds	Manufacture from materials of any heading. However, the value of all the materials of headings Nos 2932, 2933 and 2934 used may not exceed 20% of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product
ex Chapter 30	Pharmaceutical products; except for:	Manufacture in which all the materials used are classified within a heading other than that of the product. However, materials classified within the same heading may be used provided their value does not exceed 20% of the ex-works price of the product	

3002

Human blood; animal blood prepared for therapeutic, prophylactic or diagnostic uses; antisera and other blood fractions and modified immunological products, whether or not obtained by means of biotechnological processes; vaccines, toxins, cultures of micro-organisms (excluding yeasts) and similar products:

- Products consisting of two or more constituents which have been mixed together for therapeutic or prophylactic uses or unmixed products for these uses, put up in measured doses or in forms or packings for retail sale

Manufacture from materials of any heading, including other materials of heading No 3002. The materials of this description may also be used, provided their value does not exceed 20% of the ex-works price of the product

- Other:

-- human blood

Manufacture from materials of any heading, including other materials of heading No 3002. The materials of this description may also be used, provided their value does not exceed 20% of the ex-works price of the product

-- animal blood prepared for therapeutic or prophylactic uses      Manufacture from materials of any heading, including other materials of heading No 3002. The materials of this description may also be used, provided their value does not exceed 20% of the ex-works price of the product

-- blood fractions other than antisera, haemoglobin, blood globulins and serum globulins      Manufacture from materials of any heading, including other materials of heading No 3002. The materials of this description may also be used, provided their value does not exceed 20% of the ex-works price of the product

-- haemoglobin, blood globulins and serum globulins      Manufacture from materials of any heading, including other materials of heading No 3002. The materials of this description may also be used, provided their value does not exceed 20% of the ex-works price of the product

-- other      Manufacture from materials of any heading, including other materials of heading No 3002. The materials of this description may also be used, provided their value does not exceed 20% of the ex-works price of the product

3003 and 3004	Medicaments (excluding goods of heading No 3002, 3005 or 3006):	<p>Manufacture in which all the materials used are classified within a heading other than that of the product. However, materials of heading No 3003 or 3004 may be used provided their value, taken together, does not exceed 20 % of the ex works price of the product</p>	
	- Obtained from amikacin of heading No 2941		
	- Other	<p>Manufacture in which:</p> <ul style="list-style-type: none"> <li>- all the materials used are classified within a heading other than that of the product. However, materials of heading No 3003 or 3004 may be used provided their value, taken together, does not exceed 20% of the ex-works price of the product;</li> <li>- the value of all the materials used does not exceed 50% of the ex-works price of the product</li> </ul>	
ex Chapter 31	Fertilisers; except for:	<p>Manufacture in which all the materials used are classified within a heading other than that of the product. However, materials classified within the same heading may be used provided their value does not exceed 20% of the ex-works price of the product</p>	<p>Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product</p>

ex 3105	Mineral or chemical fertilisers containing two or three of the fertilising elements nitrogen, phosphorous and potassium; other fertilisers; goods of this Chapter, in tablets or similar forms or in packages of a gross weight not exceeding 10 kg, except for:  - sodium nitrate  - calcium cyanamide  - potassium sulphate  - magnesium potassium sulphate	Manufacture in which:  - all the materials used are classified within a heading other than that of the product. However, materials classified within the same heading may be used provided their value does not exceed 20% of the ex-works price of the product;  - the value of all the materials used does not exceed 50% of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product
ex Chapter 32	Tanning or dyeing extracts; tannins and their derivatives; dyes, pigments and other colouring matter; paints and varnishes; putty and other mastics; inks; except for:	Manufacture in which all the materials used are classified within a heading other than that of the product. However, materials classified within the same heading may be used provided their value does not exceed 20% of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product
ex 3201	Tannins and their salts, ethers, esters and other derivatives	Manufacture from tanning extracts of vegetable origin	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product
3205	Colour lakes; preparations as specified in Note 3 to this Chapter based on colour lakes <sup>1</sup>	Manufacture from materials of any heading, except headings Nos 3203, 3204 and 3205. However, materials from heading No 3205 may be used provided their value does not exceed 20% of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product

<sup>1</sup> Note 3 to Chapter 32 says that these preparations are those of a kind used for colouring any material or used as ingredients in the manufacturing of colouring preparations, provided they are not classified in another heading in Chapter 32.



ex Chapter 33	Essential oils and resinoids; perfumery, cosmetic or toilet preparations; except for:	Manufacture in which all the materials used are classified within a heading other than that of the product. However, materials classified within the same heading may be used provided their value does not exceed 20% of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product
3301	Essential oils (terpeneless or not), including concretes and absolutes; resinoids; extracted oleoresins; concentrates of essential oils in fats, in fixed oils, in waxes or the like, obtained by enfleurage or maceration; terpenic by-products of the deterpenation of essential oils; aqueous distillates and aqueous solutions of essential oils	Manufacture from materials of any heading, including materials of a different "group" <sup>1</sup> in this heading. However, materials of the same group may be used, provided their value does not exceed 20% of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product
ex Chapter 34	Soap, organic surface-active agents, washing preparations, lubricating preparations, artificial waxes, prepared waxes, polishing or scouring preparations, candles and similar articles, modelling pastes, "dental waxes" and dental preparations with a basis of plaster; except for:	Manufacture in which all the materials used are classified within a heading other than that of the product. However, materials classified within the same heading may be used provided their value does not exceed 20% of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product

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<sup>1</sup> A "group" is regarded as any part of the heading separated from the rest by a semi-colon.

ex 3403	Lubricating preparations containing petroleum oils or oils obtained from bituminous minerals, provided they represent less than 70% by weight	Operations of refining and/or one or more specific process(es) <sup>1</sup> or Other operations in which all the materials used are classified within a heading other than that of the product. However, materials classified within the same heading may be used provided their value does not exceed 50% of the ex-works price of the product	
3404	Artificial waxes and prepared waxes:  - With a basis of paraffin, petroleum waxes, waxes obtained from bituminous minerals, slack wax or scale wax  - Other	Manufacture in which all the materials used are classified within a heading other than that of the product. However, materials classified within the same heading may be used provided their value does not exceed 50% of the ex-works price of the product  Manufacture from materials of any heading, except:  - hydrogenated oils having the character of waxes of heading No 1516;  - fatty acids not chemically defined or industrial fatty alcohols having the character of waxes of heading No 3823;	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product

<sup>1</sup> For the special conditions relating to "specific processes" see Introductory Notes 7.1 and 7.3

		- materials of heading No 3404	
		However, these materials may be used provided their value does not exceed 20% of the ex-works price of the product	
ex Chapter 35	Albuminoidal substances; modified starches; glues; enzymes; except for:	Manufacture in which all the materials used are classified within a heading other than that of the product. However, materials classified within the same heading may be used provided their value does not exceed 20% of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product
3505	Dextrins and other modified starches (for example, pregelatinised or esterified starches); glues based on starches, or on dextrins or other modified starches:		
	- Starch ethers and esters	Manufacture from materials of any heading, including other materials of heading No 3505	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product
	- Other	Manufacture from materials of any heading, except those of heading No 1108	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product
ex 3507	Prepared enzymes not elsewhere specified or included	Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product	

Chapter 36	Explosives; pyrotechnic products; matches; pyrophoric alloys; certain combustible preparations	Manufacture in which all the materials used are classified within a heading other than that of the product. However, materials classified within the same heading may be used provided their value does not exceed 20% of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product
ex Chapter 37	Photographic or cinematographic goods; except for:	Manufacture in which all the materials used are classified within a heading other than that of the product. However, materials classified within the same heading may be used provided their value does not exceed 20% of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product
3701	<p>Photographic plates and film in the flat, sensitised, unexposed, of any material other than paper, paperboard or textiles; instant print film in the flat, sensitised, unexposed, whether or not in packs:</p> <p>- Instant print film for colour photography, in packs</p>	<p>Manufacture in which all the materials used are classified within a heading other than heading Nos 3701 or 3702. However, materials from heading No 3702 may be used provided their value does not exceed 30% of the ex-works price of the product</p>	<p>Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product</p>

	- Other	Manufacture in which all the materials used are classified within a heading other than heading No 3701 or 3702. However, materials from heading Nos 3701 and 3702 may be used provided their value taken together, does not exceed 20% of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product
3702	Photographic film in rolls, sensitised, unexposed, of any material other than paper, paperboard or textiles; instant print film in rolls, sensitised, unexposed	Manufacture in which all the materials used are classified within a heading other than heading Nos 3701 or 3702	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product
3704	Photographic plates, film paper, paperboard and textiles, exposed but not developed	Manufacture in which all the materials used are classified within a heading other than heading Nos 3701 to 3704	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product
ex Chapter 38	Miscellaneous chemical products; except for:	Manufacture in which all the materials used are classified within a heading other than that of the product. However, materials classified within the same heading may be used provided their value does not exceed 20% of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product
ex 3801	- Colloidal graphite in suspension in oil and semi-colloidal graphite; carbonaceous pastes for electrodes	Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product	

	- Graphite in paste form, being a mixture of more than 30% by weight of graphite with mineral oils	Manufacture in which the value of all the materials of heading No 3403 used does not exceed 20% of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product
ex 3803	Refined tall oil	Refining of crude tall oil	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product
ex 3805	Spirits of sulphate turpentine, purified	Purification by distillation or refining of raw spirits of sulphate turpentine	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product
ex 3806	Ester gums	Manufacture from resin acids	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product
ex 3807	Wood pitch (wood tar pitch)	Distillation of wood tar	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product
3808	Insecticides, rodenticides, fungicides, herbicides, anti-sprouting products and plant-growth regulators, disinfectants and similar products, put up in forms or packings for retail sale or as preparations or articles (for example, sulphur-treated bands, wicks and candles, and fly-papers)	Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the products	

3809	Finishing agents, dye carriers to accelerate the dyeing or fixing of dyestuffs and other products and preparations (for example, dressings and mordants), of a kind used in the textile, paper, leather or like industries, not elsewhere specified or included	Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the products
3810	Pickling preparations for metal surfaces; fluxes and other auxiliary preparations for soldering, brazing or welding; soldering, brazing or welding powders and pastes consisting of metal and other materials; preparations of a kind used as cores or coatings for welding electrodes or rods	Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the products
3811	Anti-knock preparations, oxidation inhibitors, gum inhibitors, viscosity improvers, anti-corrosive preparations and other prepared additives, for mineral oils (including gasoline) or for other liquids used for the same purposes as mineral oils:	
	- Prepared additives for lubricating oil, containing petroleum oils or oils obtained from bituminous minerals	Manufacture in which the value of all the materials of heading No 3811 used does not exceed 50% of the ex-works price of the product

	- Other	Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
3812	Prepared rubber accelerators; compound plasticisers for rubber or plastics, not elsewhere specified or included; anti-oxidising preparations and other compound stabilisers for rubber or plastics	Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
3813	Preparations and charges for fire-extinguishers; charged fire-extinguishing grenades	Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
3814	Organic composite solvents and thinners, not elsewhere specified or included; prepared paint or vanish removers	Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
3818	Chemical elements doped for use in electronics, in the form of discs, wafers or similar forms; chemical compounds doped for use in electronics	Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product



3819	Hydraulic brake fluids and other prepared liquids for hydraulic transmission, not containing or containing less than 70% by weight of petroleum oils or oils obtained from bituminous minerals	Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
3820	Anti-freezing preparations and prepared de-icing fluids	Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
3822	Diagnostic or laboratory reagents on a backing and prepared diagnostic or laboratory reagents, whether or not on a backing, other than those of heading No. 3002 or 3006	Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
3823	Industrial monocarboxylic fatty acids; acid oils from refining; industrial fatty alcohols.	
	- Industrial monocarboxylic fatty acids, acid oils from refining	Manufacture in which all the materials used are classified within a heading other than that of the product
	- Industrial fatty alcohols	Manufacture from materials of any heading including other materials of heading No. 3823

3824

Prepared binders for foundry moulds or cores; chemical products and preparations of the chemical or allied industries (including those consisting of mixtures of natural products), not elsewhere specified or included; residual products of the chemical or allied industries, not elsewhere specified or included:

- The following of this heading:

Prepared binders for foundry moulds or cores based on natural resinous products

Naphthenic acids, their water insoluble salts and their esters

Sorbitol other than that of heading No 2905

Petroleum sulphonates, excluding petroleum sulphonates of alkali metals, of ammonium or of ethanolamines; thiophenated sulphonic acids of oils obtained from bituminous minerals, and their salts

Ion exchangers

Getters for vacuum tubes

Manufacture in which all the materials used are classified within a heading other than that of the product. However, materials classified within the same heading may be used provided their value does not exceed 20% of the ex-works price of the product

Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product

Alkaline iron oxide for  
the purification of gas

Ammoniacal gas liquors  
and spent oxide produced  
in coal gas purification

Sulphonaphthenic acids,  
their water insoluble salts  
and their esters

Fusel oil and Dippel's oil

Mixtures of salts having  
different anions

Copying pastes with a  
basis of gelatin, whether  
or not on a paper or  
textile backing

- Other

Manufacture in which the  
value of all the materials  
used does not exceed 50% of  
the ex-works price of the  
product

3901 to 3915    Plastics in primary forms,  
waste, parings and scrap,  
of plastic; except for  
heading Nos ex 3907 and  
3912 for which the rules  
are set out below:

<p>- homopolymerisation products in which a single monomer contributes more than 99% by weight to the total polymer content</p>	<p>Addition Manufacture in which:</p> <ul style="list-style-type: none"> <li>- the value of all the materials used does not exceed 50% of the ex-works price of the product;</li> <li>- the value of any materials of Chapter 39 used does not exceed 20% of the ex-works price of the product<sup>1</sup></li> </ul>	<p>Manufacture in which the value of all the materials used does not exceed 25% of the ex-works price of the product</p>
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<sup>1</sup> In the case of the products composed of materials classified within both heading Nos. 3901 to 3906, on the one hand, and within heading Nos. 3907 to 3911, on the other hand, this restriction only applies to that group of materials which predominates by weight in the product.

	- Other	Manufacture in which the value of the materials of Chapter 39 used does not exceed 20% of the ex-works price of the product <sup>1</sup>	Manufacture in which the value of all the materials used does not exceed 25% of the ex-works price of the product
ex 3907	- Copolymer, made from polycarbonate and acrylonitrile-butadiene-styrene copolymer (ABS)	Manufacture in which all the materials used are classified within a heading other than that of the product. However, materials classified within the same heading may be used provided their value does not exceed 50% of the ex-works price of the product <sup>1</sup>	
	- Polyester	Manufacture in which the value of any materials of Chapter 39 used does not exceed 20% of the ex-works price of the product and/or manufacture from polycarbonate of tetrabromo-(bisphenol A)	
3912	Cellulose and its chemical derivatives, not elsewhere specified or included, in primary forms	Manufacture in which the value of any materials classified in the same heading as the product does not exceed 20% of the ex-works price of the product	
3916 to 3921	Semi-manufactures and articles of plastics; except for headings Nos ex 3916, ex 3917, ex 3920 and ex 3921, for which the rules are set out below:		

	- Flat products, further worked than only surface-worked or cut into forms other than rectangular (including square); other products, further worked than only surface-worked	Manufacture in which the value of any materials of Chapter 39 used does not exceed 50% of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 25% of the ex-works price of the product
	- Other:		
	-- Addition homopolymerisation products in which a single monomer contributes more than 99% by weight to the total polymer content	Manufacture in which: <ul style="list-style-type: none"> <li>- the value of all the materials used does not exceed 50% of the ex-works price of the product;</li> <li>- the value of any materials of Chapter 39 used does not exceed 20% of the ex-works price of the product<sup>1</sup></li> </ul>	Manufacture in which the value of all the materials used does not exceed 25% of the ex-works price of the product
	-- Other	Manufacture in which the value of any materials of Chapter 39 used does not exceed 20% of the ex-works price of the product <sup>1</sup>	Manufacture in which the value of all the materials used does not exceed 25% of the ex-works price of the product
ex 3916 and ex 3917	Profile shapes and tubes	Manufacture in which: <ul style="list-style-type: none"> <li>- the value of all the materials used does not exceed 50% of the ex-works price of the product;</li> <li>- the value of any materials classified within the same heading as the product does not exceed 20% of the ex-works price of the product</li> </ul>	Manufacture in which the value of all the materials used does not exceed 25% of the ex-works price of the product

<sup>1</sup> In the case of the products composed of materials classified within both heading Nos. 3901 to 3906, on the one hand, and within heading Nos. 3907 to 3911, on the other hand, this restriction only applies to that group of materials which predominates by weight in the product.

ex 3920	- Ionomer sheet or film	Manufacture from a thermoplastic partial salt which is a copolymer of ethylene and metacrylic acid partly neutralised with metal ions, mainly zinc and sodium	Manufacture in which the value of all the materials used does not exceed 25% of the ex-works price of the product
	- Sheets of regenerated cellulose, polyamides or polyethylene	Manufacture in which the value of any materials classified in the same heading as the product does not exceed 20% of the ex-works price of the product	
ex 3921	Foils of plastic, metallised	Manufacture from highly transparent polyester foils with a thickness of less than 23 micron <sup>1</sup>	Manufacture in which the value of all the materials used does not exceed 25% of the ex-works price of the product
3922 to 3926	Articles of plastics	Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product	
ex Chapter 40	Rubber and articles thereof; except for:	Manufacture in which all the materials used are classified within a heading other than that of the product	
ex 4001	Laminated slabs of crepe rubber for shoes	Lamination of sheets of natural rubber	

<sup>1</sup> The following foils shall be considered as highly transparent: foils, the optical dimming of which - measured according to ASTM-D 1003-16 by Gardner Hazemeter (i.e. Hazefactor) - is less than 2 percent.

4005	Compounded rubber, unvulcanised, in primary forms or in plates, sheets or strip	Manufacture in which the value of all the materials used, except natural rubber, does not exceed 50% of the ex-works price of the product
4012	Retreaded or used pneumatic tyres of rubber; solid or cushion tyres, interchangeable tyre treads and tyre flaps, of rubber:	
	- Retreaded pneumatic, solid or cushion tyres, of rubber	Retreading of used tyres
	- Other	Manufacture from materials of any heading, except those of heading Nos 4011 or 4012
ex 4017	Articles of hard rubber	Manufacture from hard rubber
ex Chapter 41	Raw hides and skins (other than furskins) and leather; except for:	Manufacture in which all the materials used are classified within a heading other than that of the product
ex 4102	Raw skins of sheep or lambs, without wool on	Removal of wool from sheep or lamb skins, with wool on
4104 to 4107	Leather, without hair or wool, other than leather of heading Nos 4108 or 4109	Retanning of pre-tanned leather or Manufacture in which all the materials used are classified within a heading other than that of the product



4109	Patent leather and patent laminated leather; metallised leather	Manufacture from leather of heading Nos 4104 to 4107 provided its value does not exceed 50% of the ex-works price of the product
Chapter 42	Articles of leather; saddlery and harness; travel goods, handbags and similar containers; articles of animal gut (other than silk worm gut)	Manufacture in which all the materials used are classified within a heading other than that of the product
ex Chapter 43	Furskins and artificial fur; manufactures thereof; except for:	Manufacture in which all the materials used are classified within a heading other than that of the product
ex 4302	Tanned or dressed furskins, assembled:	
	- Plates, crosses and similar forms	Bleaching or dyeing, in addition to cutting and assembly of non-assembled tanned or dressed furskins
	- Other	Manufacture from non-assembled, tanned or dressed furskins
4303	Articles of apparel, clothing accessories and other articles of furskin	Manufacture from non-assembled tanned or dressed furskins of heading No 4302
ex Chapter 44	Wood and articles of wood; wood charcoal; except for:	Manufacture in which all the materials used are classified within a heading other than that of the product

ex 4403	Wood roughly squared	Manufacture from wood in the rough, whether or not stripped of its bark or merely roughed down
ex 4407	Wood sawn or chipped lengthwise, sliced or peeled, of a thickness exceeding 6 mm, planed, sanded or finger-jointed	Planing, sanding or finger-jointing
ex 4408	Veneer sheets and sheets for plywood, of a thickness not exceeding 6 mm, spliced, and other wood sawn lengthwise, sliced or peeled of a thickness not exceeding 6 mm, planed, sanded or finger-jointed	Splicing, planing, sanding or finger-jointing
ex 4409	Wood continuously shaped along any of its edges or faces, whether or not planed, sanded or finger-jointed:  - Sanded or finger-jointed	Sanding or finger-jointing
	- Beadings and mouldings	Beading or moulding
ex 4410 to ex 4413	Beadings and mouldings, including moulded skirting and other moulded boards	Beading or moulding

ex 4415

Packing cases, boxes, Manufacture from boards  
crates, drums and similar not cut to size  
packings, of wood

ex 4416	Casks, barrels, vats, tubs and other coopers' products and parts thereof, of wood	Manufacture from riven staves, not further worked than sawn on the two principal surfaces
ex 4418	- Builders' joinery and carpentry of wood	Manufacture in which all the materials used are classified within a heading other than that of the product. However, cellular wood panels, shingles and shakes may be used
	- Beadings and mouldings	Beading or moulding
ex 4421	Match splints; wooden pegs or pins for footwear	Manufacture from wood of any heading except drawn wood of heading No 4409
ex Chapter 45	Cork and articles of cork; except for:	Manufacture in which all the materials used are classified within a heading other than that of the product
4503	Articles of natural cork	Manufacture from cork of heading No 4501
Chapter 46	Manufactures of straw, of esparto or of other plaiting materials; basketware and wickerwork	Manufacture in which all the materials used are classified within a heading other than that of the product
Chapter 47	Pulp of wood or of other fibrous cellulosic material; recovered (waste and scrap) paper or paperboard	Manufacture in which all the materials used are classified within a heading other than that of the product

ex Chapter 48	Paper and paperboard; articles of paper pulp, of paper or of paperboard; except for:	Manufacture in which all the materials used are classified within a heading other than that of the product
ex 4811	Paper and paperboard, ruled, lined or squared only	Manufacture from paper-making materials of Chapter 47
4816	Carbon paper, self-copy paper and other copying or transfer papers (other than those of heading No 4809), duplicator stencils and offset plates, of paper, whether or not put up in boxes	Manufacture from paper-making materials of Chapter 47
4817	Envelopes, letter cards, plain postcards and correspondence cards, of paper or paperboard; boxes, pouches, wallets and writing compendiums, of paper or paperboard, containing an assortment of paper stationery	Manufacturing in which: - all the materials used are classified within a heading other than that of the product; - the value of all the materials used does not exceed 50% of the ex-works price of the product
ex 4818	Toilet paper	Manufacture from paper-making materials of Chapter 47
ex 4819	Cartons, boxes, cases, bags and other packing containers, of paper, paperboard, cellulose wadding or webs of cellulose fibres	Manufacture in which: - all the materials used are classified within a heading other than that of the product; - the value of all the materials used does not exceed 50% of the ex-works price of the product

ex 4820	Letter pads	Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
ex 4823	Other paper, paperboard, cellulose wadding and webs of cellulose fibres, cut to size or shape	Manufacture from paper-making materials of Chapter 47
ex Chapter 49	Printed books, newspapers, pictures and other products of the printing industry; manuscripts, typescripts and plans; except for:	Manufacture in which all the materials used are classified within a heading other than that of the product
4909	Printed or illustrated postcards; printed cards bearing personal greetings, messages or announcements, whether or not illustrated, with or without envelopes or trimmings	Manufacture from materials not classified within heading Nos 4909 or 4911
4910	Calendars of any kind, printed, including calendar blocks:	
	- Calendars of the "perpetual" type or with replaceable blocks mounted on bases other than paper or paperboard	Manufacture in which: - all the materials used are classified within a heading other than that of the product; - the value of all the materials used does not exceed 50% of the ex-works price of the product

	- Other	Manufacture from materials not classified in heading Nos 4909 or 4911
ex Chapter 50	Silk; except for:	Manufacture in which all the materials used are classified within a heading other than that of the product
ex 5003	Silk waste (including cocoons unsuitable for reeling, yarn waste and garnetted stock), carded or combed	Carding or combing of silk waste
5004 to 5006	ex Silk yarn and yarn spun from silk waste	Manufacture from <sup>1</sup> : <ul style="list-style-type: none"> <li>- raw silk or silk waste carded or combed or otherwise prepared for spinning,</li> <li>- other natural fibres not carded or combed or otherwise prepared for spinning,</li> <li>- chemical materials or textile pulp, or</li> <li>- paper-making materials</li> </ul>
5007	Woven fabrics of silk or of silk waste:	
	- Incorporating rubber thread	Manufacture from single yarn <sup>1</sup>
	- Other	Manufacture from <sup>1</sup> :

<sup>1</sup> For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5

- coir yarn,
- natural fibres,
- man-made staple fibres not carded or combed or otherwise prepared for spinning,
- chemical materials or textile pulp, or
- paper

or

Printing accompanied by at least two preparatory or finishing operations (such as scouring, bleaching, mercerising, heat setting, raising, calendering, shrink resistance processing, permanent finishing, decatizing, impregnating, mending and burling) where the value of the unprinted fabric used does not exceed 47.5% of the ex-works price of the product

ex Chapter 51	Wool, fine or coarse animal hair; horsehair yarn and woven fabric; except for:	Manufacture in which all the materials used are classified within a heading other than that of the product
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5106 to 5110	Yarn of wool, of fine or coarse animal hair or of horsehair	Manufacture from <sup>1</sup> : <ul style="list-style-type: none"> <li data-bbox="686 235 1011 369">- raw silk or silk waste carded or combed or otherwise prepared for spinning,</li> <li data-bbox="686 392 1011 492">- natural fibres not carded or combed or otherwise prepared for spinning,</li> <li data-bbox="686 515 1011 582">- chemical materials or textile pulp, or</li> <li data-bbox="686 604 1011 645">- paper-making materials</li> </ul>
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<sup>1</sup> For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5

5111 to 5113 Woven fabrics of wool, of fine or coarse animal hair or of horsehair:

- Incorporating rubber thread Manufacture from single yarn<sup>1</sup>

- Other Manufacture from<sup>1</sup>:

- coir yarn,

- natural fibres,

- man-made staple fibres not carded or combed or otherwise prepared for spinning,

- chemical materials or textile pulp, or

- paper

or

Printing accompanied by at least two preparatory or finishing operations (such as scouring, bleaching, mercerising, heat setting, raising, calendering, shrink resistance processing, permanent finishing, decatizing, impregnating, mending and burling) where the value of the unprinted fabric used does not exceed 47.5% of the ex-works price of the product

ex Chapter 52	Cotton; except for:	Manufacture in which all the materials used are classified within a heading other than that of the product
5204 to 5207	Yarn and thread of cotton	<p>Manufacture from<sup>1</sup>:</p> <ul style="list-style-type: none"> <li>- raw silk or silk waste carded or combed or otherwise prepared for spinning,</li> <li>- natural fibres not carded or combed or otherwise prepared for spinning,</li> <li>- chemical materials or textile pulp, or</li> <li>- paper-making materials</li> </ul>
5208 to 5212	Woven fabrics of cotton:	
	- Incorporating rubber thread	Manufacture from single yarn <sup>1</sup>
	- Other	<p>Manufacture from<sup>1</sup>:</p> <ul style="list-style-type: none"> <li>- coir yarn,</li> <li>- natural fibres,</li> <li>- man-made staple fibres not carded or combed or otherwise prepared for spinning,</li> <li>- chemical materials or textile pulp, or</li> <li>- paper</li> </ul>

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<sup>1</sup> For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5

or

Printing accompanied by at least two preparatory or finishing operations (such as scouring, bleaching, mercerising, heat setting, raising, calendering, shrink resistance processing, permanent finishing, decatizing, impregnating, mending and burling) where the value of the unprinted fabric used does not exceed 47.5% of the ex-works price of the product

ex Chapter 53	Other vegetable textile fibres; paper yarn and woven fabrics of paper yarn; except for:	Manufacture in which all the materials used are classified within a heading other than that of the product
5306 to 5308	Yarn of other vegetable textile fibres; paper yarn	<p>Manufacture from<sup>1</sup>:</p> <ul style="list-style-type: none"> <li>- raw silk or silk waste carded or combed or otherwise prepared for spinning,</li> <li>- natural fibres not carded or combed or otherwise prepared for spinning,</li> <li>- chemical materials or textile pulp, or</li> <li>- paper-making materials</li> </ul>
5309 to 5311	Woven fabrics of other vegetable textile fibres; woven fabrics of paper yarn:	
	- Incorporating rubber thread	Manufacture from single yarn <sup>1</sup>
	- Other	<p>Manufacture from<sup>1</sup>:</p> <ul style="list-style-type: none"> <li>- coir yarn,</li> <li>- natural fibres,</li> <li>- man-made staple fibres not carded or combed or otherwise prepared for spinning,</li> <li>- chemical materials or textile pulp, or</li> <li>- paper</li> </ul>

<sup>1</sup> For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5

or

Printing accompanied by at least two preparatory or finishing operations (such as scouring, bleaching, mercerising, heat setting, raising, calendering, shrink resistance processing, permanent finishing, decatizing, impregnating, mending and burling) where the value of the unprinted fabric used does not exceed 47.5% of the ex-works price of the product

5401 to 5406	Yarn, monofilament and thread of man-made filaments	Manufacture from <sup>1</sup> : <ul style="list-style-type: none"><li>- raw silk or silk waste carded or combed or otherwise prepared for spinning,</li><li>- natural fibres not carded or combed or otherwise prepared for spinning,</li><li>- chemical materials or textile pulp, or</li><li>- paper-making materials</li></ul>
5407 and 5408	Woven fabrics of man-made filament yarn:	
	- Incorporating rubber thread	Manufacture from single yarn <sup>1</sup>
	- Other	Manufacture from <sup>1</sup> :

<sup>1</sup> For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5

- coir yarn,
- natural fibres,
- man-made staple fibres not carded or combed or otherwise prepared for spinning,
- chemical materials or textile pulp, or
- paper

or

Printing accompanied by at least two preparatory or finishing operations (such as scouring, bleaching, mercerising, heat setting, raising, calendering, shrink resistance processing, permanent finishing, decatizing, impregnating, mending and burling) where the value of the unprinted fabric used does not exceed 47.5% of the ex-works price of the product

5501 to 5507	Man-made staple fibres	Manufacture from chemical materials or textile pulp
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5508 to 5511	Yarn and sewing thread of man-made staple fibres	Manufacture from <sup>1</sup> : - raw silk or silk waste carded or combed or otherwise prepared for spinning,  - natural fibres not carded or combed or otherwise prepared for spinning,  - chemical materials or textile pulp, or  - paper-making materials
5512 to 5516	Woven fabrics of man-made staple fibres:	- Incorporating rubber thread Manufacture from single yarn <sup>1</sup>

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<sup>1</sup> For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5



- Other

Manufacture from<sup>1</sup>:

- coir yarn,
- natural fibres,
- man-made staple fibres not carded or combed or otherwise prepared for spinning,
- chemical materials or textile pulp, or
- paper

or

Printing accompanied by at least two preparatory or finishing operations (such as scouring, bleaching, mercerising, heat setting, raising, calendering, shrink resistance processing, permanent finishing, decatizing, impregnating, mending and burling) where the value of the unprinted fabric used does not exceed 47.5% of the ex-works price of the product

ex Chapter 56 Wadding, felt and non-wovens; special yarns; twine, cordage, ropes and cables and articles thereof; except for:

Manufacture from<sup>1</sup>:

- coir yarn,
- natural fibres,
- chemical materials or textile pulp, or
- paper making materials

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<sup>1</sup> For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5.

5602

Felt, whether or not  
impregnated, coated,  
covered or laminated:

- Needleloom felt                      Manufacture from<sup>1</sup>:
  - natural fibres,
  - chemical materials or textile pulp

However:

- polypropylene filament of heading No 5402,
- polypropylene fibres of heading No 5503 or 5506 or
- polypropylene filament tow of heading No 5501, of which the denomination in all cases of a single filament or fibre is less than 9 decitex may be used provided their value does not exceed 40% of the ex-works price of the product

- Other                                      Manufacture from<sup>1</sup>:
  - natural fibres,
  - man-made staple fibres made from casein, or
  - chemical materials or textile pulp

5604                      Rubber thread and cord, textile covered; textile yarn, and strip and the like of heading No 5404 or 5405, impregnated, coated, covered or sheathed with rubber or plastics:

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<sup>1</sup> For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5

- Rubber thread and cord, Manufacture from rubber  
textile covered thread or cord, not textile  
covered

	- Other	<p>Manufacture from<sup>1</sup>:</p> <ul style="list-style-type: none"> <li>- natural fibres not carded or combed or otherwise processed for spinning,</li> <li>- chemical materials or textile pulp, or</li> <li>- paper-making materials</li> </ul>
5605	Metallised yarn, whether or not gimped, being textile yarn, or strip or the like of heading No 5404 or 5405, combined with metal in the form of thread, strip or powder or covered with metal	<p>Manufacture from<sup>1</sup>:</p> <ul style="list-style-type: none"> <li>- natural fibres,</li> <li>- man-made staple fibres not carded or combed or otherwise processed for spinning,</li> <li>- chemical materials or textile pulp, or</li> <li>- paper-making materials</li> </ul>
5606	Gimped yarn, and strip and the like of heading No 5404 or 5405, gimped (other than those of heading No 5605 and gimped horsehair yarn); chenille yarn (including flock chenille yarn; loop wale-yarn	<p>Manufacture from<sup>1</sup>:</p> <ul style="list-style-type: none"> <li>- natural fibres,</li> <li>- man-made staple fibres not carded or combed or otherwise processed for spinning,</li> <li>- chemical materials or textile pulp, or</li> <li>- paper-making materials</li> </ul>
Chapter 57	Carpets and other textile floor coverings:	

<sup>1</sup> For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5

- Of needleloom felt

Manufacture from<sup>1</sup>:

- natural fibres, or
- chemical materials or textile pulp

However:

- polypropylene filament of heading No 5402,
- polypropylene fibres of heading No 5503 or 5506 or
- polypropylene filament tow of heading No 5501, of which the denomination in all cases of a single filament or fibre is less than 9 decitex may be used provided their value does not exceed 40% of the ex-works price of the product
- jute fabric may be used as backing

- Of other felt

Manufacture from<sup>1</sup>:

- natural fibres not carded or combed or otherwise processed for spinning, or
- chemical materials or textile pulp

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<sup>1</sup> For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5

	<ul style="list-style-type: none"> <li>- Other</li> </ul>	<p>Manufacture from<sup>1</sup>:</p> <ul style="list-style-type: none"> <li>- coir or jute yarn,</li> <li>- synthetic or artificial filament yarn,</li> <li>- natural fibres, or</li> <li>- man-made staple fibres not carded or combed or otherwise processed for spinning</li> </ul> <p>Jute fabric may be used as backing</p>
<p>ex Chapter 58</p>	<p>Special woven fabrics; tufted textile fabrics; lace; tapestries; trimmings; embroidery; except for:</p> <ul style="list-style-type: none"> <li>- Combined with rubber thread</li> <li>- Other</li> </ul>	<p>Manufacture from single yarn<sup>1</sup></p> <p>Manufacture from<sup>1</sup>:</p> <ul style="list-style-type: none"> <li>- natural fibres,</li> <li>- man-made staple fibres not carded or combed or otherwise processed for spinning, or</li> <li>- chemical materials or textile pulp,</li> </ul>

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<sup>1</sup> For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5

or

Printing accompanied by at least two preparatory or finishing operations (such as scouring, bleaching, mercerising, heat setting, raising, calendering, shrink resistance processing, permanent finishing, decatizing, impregnating, mending and burling) where the value of the unprinted fabric used does not exceed 47.5% of the ex-works price of the product

5805 Hand-woven tapestries of the types gobelins, flanders, aubusson, beauvais and the like, and needle-worked tapestries (for example, petit point, cross stitch), whether or not made up

Manufacture in which all the materials used are classified within a heading other than that of the product

5810 Embroidery in the piece, in strips or in motifs

Manufacture in which:

- all the materials used are classified within a heading other than that of the product;
- the value of all the materials used does not exceed 50% of the ex-works price of the product

5901 Textile fabrics coated with gum or amylaceous substances, of a kind used for the outer covers of books or the like; tracing cloth; prepared painting canvas; buckram and similar stiffened textile fabrics of a kind used for hat foundations

Manufacture from yarn



5902	Tyre cord fabric of high tenacity yarn of nylon or other polyamides, polyesters or viscose rayon:	Manufacture from yarn
	- Containing not more than 90 % by weight of textile materials	
	- Other	Manufacture from chemical materials or textile pulp
5903	Textile fabrics impregnated, coated, covered or laminated with plastics, other than those of heading No 5902	Manufacture from yarn
		or
		Printing accompanied by at least two preparatory or finishing operations (such as scouring, bleaching, mercerising, heat setting, rasing, calendering, shrink resistance processing, permanent finishing, decatizing, impregnating, mending and burling) where the value of the unprinted fabric used does not exceed 47.5% of the ex-works price of the product
5904	Linoleum, whether or note cut to shape; floor coverings consisting of a coating or covering applied on a textile backing, whether or not cut to shape	Manufacture from yarn <sup>1</sup>

<sup>1</sup> For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5

5905

Textile wall coverings:

- Impregnated, coated, covered or laminated with rubber, plastics or other materials

Manufacture from yarn

- Other

Manufacture from<sup>1</sup>:

- coir yarn,

- natural fibres,

- man-made staple fibres not carded or combed or otherwise processed for spinning, or

- chemical materials or textile pulp,

or

Printing accompanied by at least two preparatory or finishing operations (such as scouring, bleaching, mercerising, heat setting, raising, calendering, shrink resistance processing, permanent finishing, decatizing, impregnating, mending and burling) where the value of the unprinted fabric used does not exceed 47.5% of the ex-works price of the product

5906

Rubberised textile fabrics, other than those of heading No 5902:

- Knitted or crocheted fabrics Manufacture from<sup>1</sup>:
  - natural fibres,
  - man-made staple fibres not carded or combed or otherwise processed for spinning, or
  - chemical materials or textile pulp
  
- Other fabrics made of synthetic filament yarn, containing more than 90% by weight of textile materials Manufacture from chemical materials
  
- Other Manufacture from yarn

5907 Textile fabrics otherwise impregnated, coated or covered; painted canvas being theatrical scenery, studio back-cloths or the like Manufacture from yarn or

Printing accompanied by at least two preparatory or finishing operations (such as scouring, bleaching, mercerising, heat setting, rasing, calendering, shrink resistance processing, permanent finishing, decatizing, impregnating, mending and burling) where the value of the unprinted fabric used does not exceed 47.5% of the ex-works price of the product

<sup>1</sup> For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5

5908

Textile wicks, woven, plaited or knitted, for lamps, stoves, lighters, candles or the like; incandescent gas mantles and tubular knitted gas mantle fabric therefor, whether or not impregnated:

- Incandescent gas mantles, impregnated      Manufacture from tubular knitted gas mantle fabric

- Other      Manufacture in which all the materials used are classified within a heading other than that of the product

5909 to 5911 Textile articles of a kind suitable for industrial use:

- Polishing discs or rings other than of felt of heading No 5911 Manufacture from yarn or waste fabrics or rags of heading No 6310

- Woven fabrics, of a kind commonly used in papermaking or other technical uses, felted or not, whether or not impregnated or coated, tubular or endless with single or multiple warp and/or weft, or flat woven with multiple warp and/or weft of heading No 5911 Manufacture from<sup>1</sup>:

- coir yarn,
- the following materials:
  - yarn of polytetrafluoroethylene<sup>2</sup>,
  - yarn, multiple, of polyamide, coated impregnated or covered with a phenolic resin,
  - yarn of synthetic textile fibres of aromatic polyamides, obtained by polycondensation of *m*-phenylenediamine and isophthalic acid,
  - monofil of polytetrafluoroethylene<sup>2</sup>
  - yarn of synthetic textile fibres of poly-*p*-phenylene terephthalamide,
  - glass fibre yarn, coated with phenol resin and gimped with acrylic yarn<sup>2</sup>
  - copolyester monofilaments of a polyester and a resin of terephthalic acid and 1,4 - cyclohexanediethanol and isophthalic acid,
- natural fibres,
- man-made staple fibres not carded or combed or otherwise processed for spinning, or
- chemical materials or textile pulp

	- Other	Manufacture from <sup>1</sup> :
		- coir yarn,
		- natural fibres,
		- man-made staple fibres not carded or combed or otherwise processed for spinning, or
		- chemical materials or textile pulp
Chapter 60	Knitted or crocheted fabrics	Manufacture from <sup>1</sup> :
		- natural fibres,
		- man-made staple fibres not carded or combed or otherwise processed for spinning, or
		- chemical materials or textile pulp
Chapter 61	Articles of apparel and clothing accessories, knitted or crocheted:	
	- Obtained by sewing together or otherwise assembling, two or more pieces of knitted or crocheted fabric which have been either cut to form or obtained directly to form	Manufacture from yarn <sup>1,2</sup>

<sup>1</sup> For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5

<sup>2</sup> The use of this material is restricted to the manufacture of woven fabrics of a kind used in paper-making machinery.

<sup>1</sup> For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5

<sup>2</sup> See Introductory Note 6

- Other

Manufacture from<sup>1</sup> :

- natural fibres,

- man-made staple fibres  
not carded or combed or  
otherwise processed for  
spinning, or

- chemical materials or  
textile pulp

ex Chapter 62	Articles of apparel and clothing accessories, not knitted or crocheted; except for:	Manufacture from yarn <sup>1,2</sup>
ex 6202, ex 6204, ex 6206, ex 6209 and ex 6211	Women's, girls' and babies' clothing and clothing accessories for babies, embroidered	Manufacture from yarn <sup>1</sup> or Manufacture from unembroidered fabric provided the value of the unembroidered fabric used does not exceed 40% of the ex-works price of the product <sup>1</sup>
ex 6210 and ex 6216	Fire-resistant equipment of fabric covered with foil of aluminised polyester	Manufacture from yarn <sup>1</sup> or Manufacture from uncoated fabric provided the value of the uncoated fabric used does not exceed 40% of the ex-works price of the product <sup>1</sup>
6213 and 6214	Handkerchiefs, shawls, scarves, mufflers, mantillas, veils and the like:	
	- Embroidered	Manufacture from unbleached single yarn <sup>1,2</sup> or Manufacture from unembroidered fabric provided the value of the unembroidered fabric used does not exceed 40% of the ex-works price of the product <sup>1</sup>

<sup>1</sup> See Introductory Note 6.



- Other Manufacture from unbleached single yarn<sup>1,2</sup>

or

Making up followed by printing accompanied by at least two preparatory or finishing operations (such as scouring, bleaching, mercerising, heat setting, raising, calendering, shrink resistance processing, permanent finishing, decatizing, impregnating, mending and burling) where the value of the unprinted goods of heading Nos 6213 and 6214 used does not exceed 47.5% of the ex-works price of the product

6217 Other made up clothing accessories; parts of garments or of clothing accessories, other than those of heading No 6212:

- Embroidered Manufacture from yarn<sup>1</sup>

or

Manufacture from unembroidered fabric provided the value of the unembroidered fabric used does not exceed 40% of the ex-works price of the product<sup>1</sup>

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<sup>2</sup> For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5

<sup>1</sup> See Introductory Note 6.

<sup>2</sup> For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5.



	- Other:	
	-- Embroidered	<p>Manufacture from unbleached single yarn<sup>1,3</sup></p> <p>or</p> <p>Manufacture from unembroidered fabric (other than knitted or crocheted) provided the value of the unembroidered fabric used does not exceed 40% of the ex-works price of the product</p>
	-- Other	Manufacture from unbleached single yarn <sup>1,3</sup>
6305	Sacks and bags, of a kind used for the packing of goods	<p>Manufacture from<sup>1</sup> :</p> <ul style="list-style-type: none"> <li>- natural fibres,</li> <li>- man-made staple fibres not carded or combed or otherwise processed for spinning, or</li> <li>- chemical materials or textile pulp</li> </ul>
6306	Tarpaulins, awnings and sunblinds; tents; sails for boats, sailboards or landcraft; camping goods:	

<sup>3</sup> For knitted or crocheted articles, not elastic or rubberised, obtained by sewing or assembly pieces of knitted or crocheted fabrics (cut out or knitted directly to shape), see Introductory Note 6.

<sup>1</sup> For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5

- Of nonwovens

Manufacture from<sup>1,2</sup> :

- natural fibres, or

- chemical materials or  
textile pulp

- Other

Manufacture from  
unbleached single yarn<sup>1,2</sup>

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<sup>2</sup>

See Introductory Note 6.

6307	Other made-up articles, including dress patterns	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product
6308	Sets consisting of woven fabric and yarn, whether or not with accessories, for making up into rugs, tapestries, embroidered table cloths or serviettes, or similar textile articles, put up in packings for retail sale	Each item in the set must satisfy the rule which would apply to it if it were not included in the set. However, non-originating articles may be incorporated provided their total value does not exceed 15% of the ex-works price of the set
ex Chapter 64	Footwear, gaiters and the like; except for:	Manufacture from materials of any heading except for assemblies of uppers affixed to inner soles or to other sole components of heading No 6406
6406	Parts of footwear (including uppers whether or not attached to soles other than outer soles); removable in-soles, heel cushions and similar articles; gaiters, leggings and similar articles, and parts thereof	Manufacture in which all the materials used are classified within a heading other than that of the product
ex Chapter 65	Headgear and parts thereof, except for:	Manufacture in which all the materials used are classified within a heading other than that of the product

6503	Felt hats and other felt headgear, made from the hat bodies, hoods or plateaux of heading No 6501, whether or not lined or trimmed	Manufacture from yarn or textile fibres <sup>1</sup>
6505	Hats and other headgear, knitted or crocheted, or made up from lace, felt or other textile fabric, in the piece (but not in strips), whether or not lined or trimmed; hair-nets of any material, whether or not lined or trimmed	Manufacture from yarn or textile fibres <sup>1</sup>
ex Chapter 66	Umbrellas, sun umbrellas, walking-sticks, seat-sticks, whips, riding-crops, and parts thereof; except for:	Manufacture in which all the materials used are classified within a heading other than that of the product
6601	Umbrellas and sun umbrellas (including walking-stick umbrellas, garden umbrellas and similar umbrellas)	Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
Chapter 67	Prepared feathers and down and articles made of feathers or of down; artificial flowers; articles of human hair	Manufacture in which all the materials used are classified within a heading other than that of the product
ex Chapter 68	Articles of stone, plaster, cement, asbestos, mica or similar materials; except for:	Manufacture in which all the materials used are classified within a heading other than that of the product

<sup>1</sup> See Introductory Note 6.

ex 6803	Articles of slate or of agglomerated slate	Manufacture from worked slate
ex 6812	Articles of asbestos; articles of mixtures with a basis of asbestos or of mixtures with a basis of asbestos and magnesium carbonate	Manufacture from materials of any heading
ex 6814	Articles of mica, including agglomerated or reconstituted mica, on a support of paper, paperboard or other materials	Manufacture from worked mica (including agglomerated or reconstituted mica)
Chapter 69	Ceramic products	Manufacture in which all the materials used are classified within a heading other than that of the product
ex Chapter 70	Glass and glassware; except for :	Manufacture in which all the materials used are classified within a heading other than that of the product
ex 7003 ex 7004 and ex 7005	Glass with a non-reflecting layer	Manufacture from materials of heading No. 7001
7006	Glass of heading No 7003, 7004 or 7005, bent, edgeworked, engraved, drilled, enamelled or otherwise worked, but not framed or fitted with other materials:	

- glass plate substrate Manufacture from non-coated glass plate substrate coated with dielectric thin film, semi-conductor of heading No 7006 grade, in accordance with SEMII standards<sup>1</sup>

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<sup>1</sup> SEMII-Semiconductor Equipment and Materials Institute Incorporated



	- other	Manufacture from materials of heading No 7001
7007	Safety glass, consisting of toughened (tempered) or laminated glass	Manufacture from materials of heading No 7001
7008	Multiple-walled insulating units of glass	Manufacture from materials of heading No 7001
7009	Glass mirrors, whether or not framed, including rear-view mirrors	Manufacture from materials of heading No 7001
7010	Carboys, bottles, flasks, jars, pots, phials, ampoules and other containers, of glass, of a kind used for the conveyance or packing of goods; preserving jars of glass; stoppers, lids and other closures, of glass	Manufacture in which all the materials used are classified within a heading other than that of the product or Cutting of glassware, provided the value of the uncut glassware does not exceed 50% of the ex-works price of the product

7013

Glassware of a kind used for table, kitchen, toilet, office, indoor decoration or similar purposes (other than that of heading No 7010 or 7018)

Manufacture in which all the materials used are classified within a heading other than that of the product

or

Cutting of glassware, provided the value of the uncut glassware does not exceed 50% of the ex-works price of the product

or

Hand-decoration (with the exception of silk-screen printing) of hand-blown glassware, provided the value of the hand-blown glassware does not exceed 50% of the ex-works price of the product

ex 7019	Articles (other than yarn) of glass fibres	<p>Manufacture from:</p> <ul style="list-style-type: none"> <li>- uncoloured slivers, rovings, yarn or chopped strands, or</li> <li>- glass wool</li> </ul>
ex Chapter 71	Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad with precious metal, and articles thereof; imitation jewellery; coin; except for:	Manufacture in which all the materials used are classified within a heading other than that of the product
ex 7101	Natural or cultured pearls, graded and temporarily strung for convenience of transport	Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
ex 7102, ex 7103 and ex 7104	Worked precious or semi-precious stones (natural, synthetic or reconstructed)	Manufacture from unworked precious or semi-precious stones
7106, 7108 and 7110	Precious metals:	

- Unwrought

Manufacture from materials  
not classified within heading  
No 7106, 7108 or 7110

or

Electrolytic, thermal or  
chemical separation of  
precious metals of heading  
No 7106, 7108 or 7110

or

Alloying of precious metals  
of heading No 7106, 7108 or  
7110 with each other or with  
base metals

	- Semi-manufactured or in powder form	Manufacture from unwrought precious metals
ex 7107, ex 7109 and ex 7111	Metals clad with precious metals, semi-manufactured	Manufacture from metals clad with precious metals, unwrought
7116	Articles of natural or cultured pearls, precious or semi-precious stones (natural, synthetic or reconstructed)	Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
7117	Imitation jewellery	Manufacture in which all the materials used are classified within a heading other than that of the product  or  Manufacture from base metal parts, not plated or covered with precious metals, provided the value of all the materials used does not exceed 50% of the ex-works price of the product
ex Chapter 72	Iron and steel; except for:	Manufacture in which all the materials used are classified within a heading other than that of the product
7207	Semi-finished products of iron or non-alloy steel	Manufacture from materials of heading No 7201, 7202, 7203, 7204 or 7205
7208 to 7216	Flat-rolled products, bars and rods, angles, shapes and sections of iron or non-alloy steel	Manufacture from ingots or other primary forms of heading No 7206

7217

Wire of iron or non-alloy steel  
Manufacture from semi-finished materials of heading No 7207

ex 7218, 7219 to 7222	Semi-finished products, flat-rolled products, bars and rods, angles, shapes and sections of stainless steel	Manufacture from ingots or other primary forms of heading No 7218
7223	Wire of stainless steel	Manufacture from semi-finished materials of heading No 7218
ex 7224, 7225 to 7228	Semi-finished products, flat-rolled products, hot-rolled bars and rods, in irregularly wound coils; angles, shapes and sections, of other alloy steel; hollow drill bars and rods, of alloy or non-alloy steel	Manufacture from ingots or other primary forms of heading No 7206, 7218 or 7224
7229	Wire of other alloy steel	Manufacture from semi-finished materials of heading No 7224
ex Chapter 73	Articles of iron or steel; except for:	Manufacture in which all the materials used are classified within a heading other than that of the product
ex 7301	Sheet piling	Manufacture from materials of heading No 7206

7302

Railway or tramway track construction materials of iron or steel, the following: rails, checkrails and rackrails, switch blades, crossing frogs, point rods and other crossing pieces, sleepers (cross-ties), fish-plates, chairs, chair wedges, sole plates (base plates), rail clips, bedplates, ties and other material specialised for jointing or fixing rails

Manufacture from materials of heading No 7206



7304, 7305 and 7306	Tubes, pipes and hollow profiles, of iron (other than cast iron) or steel	Manufacture from materials of heading No 7206, 7207, 7218 or 7224
ex 7307	Tube or pipe fittings of stainless steel (ISO No X5CrNiMo 1712), consisting of several parts	Turning, drilling, reaming, threading, deburring and sandblasting of forged blanks the value of which does not exceed 35% of the ex-works price of the product
7308	Structures (excluding prefabricated buildings of heading No 9406) and parts of structures (for example, bridges and bridge-sections, lock-gates, towers, lattice masts, roofs, roofing frame-works, doors and windows and their frames and thresholds for doors, shutters, balustrades, pillars and columns), of iron or steel; plates, rods, angles, shapes, sections, tubes and the like, prepared for use in structures, of iron or steel	Manufacture in which all the materials used are classified within a heading other than that of the product. However, welded angles, shapes and sections of heading No 7301 may not be used
ex 7315	Skid chain	Manufacture in which the value of all the materials of heading No 7315 used does not exceed 50% of the ex-works price of the product

ex Chapter 74	Copper and articles thereof; except for:	<p>Manufacture in which:</p> <ul style="list-style-type: none"> <li>- all the materials used are classified within a heading other than that of the product;</li> <li>- the value of all the materials used does not exceed 50% of the ex-works price of the product</li> </ul>
7401	Copper mattes; cement copper (precipitated copper)	Manufacture in which all the materials used are classified within a heading other than that of the product
7402	Unrefined copper; copper anodes for electrolytic refining	Manufacture in which all the materials used are classified within a heading other than that of the product
7403	Refined copper and copper alloys, unwrought:	
	- Refined copper	Manufacture in which all the materials used are classified within a heading other than that of the product
	- Copper alloys and refined copper containing other elements	Manufacture from refined copper, unwrought, or waste and scrap of copper
7404	Copper waste and scrap	Manufacture in which all the materials used are classified within a heading other than that of the product

7405

Master alloys of copper

Manufacture in which all the materials used are classified within a heading other than that of the product

ex Chapter 75	Nickel and articles thereof; except for:	<p>Manufacture in which:</p> <ul style="list-style-type: none"> <li>- all the materials used are classified within a heading other than that of the product;</li> <li>- the value of all the materials used does not exceed 50% of the ex-works price of the product</li> </ul>
7501 to 7503	Nickel mattes, nickel oxide sinters and other intermediate products of nickel metallurgy; unwrought nickel; nickel waste and scrap	Manufacture in which all the materials used are classified within a heading other than that of the product
ex Chapter 76	Aluminium and articles thereof; except for:	<p>Manufacture in which:</p> <ul style="list-style-type: none"> <li>- all the materials used are classified within a heading other than that of the product;</li> <li>- the value of all the materials used does not exceed 50% of the ex-works price of the product</li> </ul>
7601	Unwrought aluminium	<p>Manufacture in which:</p> <ul style="list-style-type: none"> <li>- all the materials used are classified within a heading other than that of the product;</li> <li>- the value of all the materials used does not exceed 50% of the ex-works price of the product</li> </ul>

		or	
			Manufacture by thermal or electrolytic treatment from unalloyed aluminium or waste and scrap of aluminium
7602	Aluminium waste or scrap		Manufacture in which all the materials used are classified within a heading other than that of the product
ex 7616	Aluminium articles other than gauze, cloth, grill, netting, fencing, reinforcing fabric and similar materials (including endless bands) of aluminium wire, and expanded metal of aluminium		<p>Manufacture in which:</p> <ul style="list-style-type: none"> <li>- all the materials used are classified within a heading other than that of the product. However, gauze, cloth, grill, netting, fencing, reinforcing fabric and similar materials (including endless bands) of aluminium wire, or expanded metal of aluminium may be used;</li> <li>- the value of all the materials used does not exceed 50% of the ex-works price of the product</li> </ul>
Chapter 77	Reserved for possible future use in HS		

ex Chapter 78 Lead and articles thereof; Manufacture in which:  
except for:

- all the materials used are classified within a heading other than that of the product;

- the value of all the materials used does not exceed 50% of the ex-works price of the product

7801	Unwrought lead:	
	- Refined lead	Manufacture from "bullion" or "work" lead
	- Other	Manufacture in which all the materials used are classified within a heading other than that of the product. However, waste and scrap of heading No 7802 may not be used
7802	Lead waste and scrap	Manufacture in which all the materials used are classified within a heading other than that of the product
ex Chapter 79	Zinc and articles thereof; except for:	<p>Manufacture in which:</p> <ul style="list-style-type: none"> <li>- all the materials used are classified within a heading other than that of the product;</li> <li>- the value of all the materials used does not exceed 50% of the ex-works price of the product</li> </ul>
7901	Unwrought zinc	Manufacture in which all the materials used are classified within a heading other than that of the product. However, waste and scrap of heading No 7902 may not be used

7902	Zinc waste and scrap	Manufacture in which all the materials used are classified within a heading other than that of the product
ex Chapter 80	Tin and articles thereof; except for:	Manufacture in which: <ul style="list-style-type: none"> <li>- all the materials used are classified within a heading other than that of the product;</li> <li>- the value of all the materials used does not exceed 50% of the ex-works price of the product</li> </ul>
8001	Unwrought tin	Manufacture in which all the materials used are classified within a heading other than that of the product. However, waste and scrap of heading No 8002 may not be used
8002 and 8007	Tin waste and scrap; other articles of tin	Manufacture in which all the materials used are classified within a heading other than that of the product
Chapter 81	Other base metals; cermets; articles thereof: <ul style="list-style-type: none"> <li>- Other base metals, wrought; articles thereof</li> </ul>	Manufacture in which the value of all the materials classified within the same heading as the product used does not exceed 50% of the ex-works price of the product



	- Other	Manufacture in which all the materials used are classified within a heading other than that of the product
ex Chapter 82	Tools, implements, cutlery, spoons and forks, of base metal; parts thereof of base metal; except for:	Manufacture in which all the materials used are classified within a heading other than that of the product
8206	Tools of two or more of the heading Nos 8202 to 8205, put up in sets for retail sale	Manufacture in which all the materials used are classified within a heading other than heading Nos 8202 to 8205. However, tools of heading Nos 8202 to 8205 may be incorporated into the set provided their value does not exceed 15% of the ex-works price of the set
8207	Interchangeable tools for hand tools, whether or not power-operated, or for machine-tools (for example, for pressing, stamping, punching, tapping, threading, drilling, boring, broaching, milling, turning, or screwdriving), including dies for drawing or extruding metal, and rock drilling or earth boring tools	Manufacture in which: <ul style="list-style-type: none"> <li>- all the materials used are classified within a heading other than that of the product;</li> <li>- the value of all the materials used does not exceed 40% of the ex-works price of the product</li> </ul>
8208	Knives and cutting blades, for machines or for mechanical appliances	Manufacture in which: <ul style="list-style-type: none"> <li>- all the materials used are classified within a heading other than that of the product;</li> <li>- the value of all the materials used does not exceed 40% of the ex-works price of the product</li> </ul>

ex 8211	Knives with cutting blades, serrated or not (including pruning knives), other than knives of heading No 8208	Manufacture in which all the materials used are classified within a heading other than that of the product. However, knife blades and handles of base metal may be used
8214	Other articles of cutlery (for example, hair clippers, butchers' or kitchen cleavers, choppers and mincing knives, paper knives); manicure or pedicure sets and instruments (including nail files)	Manufacture in which all the materials used are classified within a heading other than that of the product. However, handles of base metal may be used
8215	Spoons, forks, ladles, skimmers, cake-servers, fish-knives, butter-knives, sugar tongs and similar kitchen or tableware	Manufacture in which all the materials used are classified within a heading other than that of the product. However, handles of base metal may be used
ex Chapter 83	Miscellaneous articles of base metal; except for:	Manufacture in which all the materials used are classified within a heading other than that of the product
ex 8302	Other mountings, fittings and similar articles suitable for buildings, and automatic door closers	Manufacture in which all the materials used are classified within a heading other than that of the product. However, the other materials of heading No 8302 may be used provided their value does not exceed 20% of the ex-works price of the product

ex 8306	Statuettes and other ornaments, of base metal	Manufacture in which all the materials used are classified within a heading other than that of the product. However, the other materials of heading No 8306 may be used provided their value does not exceed 30% of the ex-works price of the product	
ex Chapter 84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof; except for:	Manufacture in which: - all the materials used are classified within a heading other than that of the product;  - the value of all the materials used does not exceed 40% of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 30% of the ex-works price of the product
ex 8401	Nuclear fuel elements	Manufacture in which all the materials used are classified within a heading other than that of the product <sup>1</sup>	Manufacture in which the value of all the materials used does not exceed 30% of the ex-works price of the final product
8402	Steam or other vapour generating boilers (other than central heating hot water boilers capable also of producing low pressure steam); super heated water boilers	Manufacture in which: - all the materials used are classified within a heading other than that of the product;  - the value of all the materials used does not exceed 40% of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 25% of the ex-works price of the product

<sup>1</sup> This rule shall apply until 31 December 2005.

8403 and ex 8404	Central heating boilers other than those of heading No 8402 and auxiliary plant for central heating boilers	Manufacture in which all the materials used are classified within a heading other than heading No 8403 or 8404	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product
8406	Steam turbines and other vapour turbines	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product	
8407	Spark-ignition reciprocating or rotary internal combustion piston engines	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product	
8408	Compression-ignition internal combustion piston engines (diesel or semi-diesel engines)	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product	
8409	Parts suitable for use solely or principally with the engines of heading No 8407 or 8408	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product	
8411	Turbo-jets, turbo propellers and other gas turbines	Manufacture in which: - all the materials used are classified within a heading other than that of the product;  - the value of all the materials used does not exceed 40% of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 25% of the ex-works price of the product

8412	Other engines and motors	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product	
ex 8413	Rotary positive displacement pumps	<p>Manufacture in which:</p> <ul style="list-style-type: none"> <li>- all the materials used are classified within a heading other than that of the product;</li> <li>- the value of all the materials used does not exceed 40% of the ex-works price of the product</li> </ul>	Manufacture in which the value of all the materials used does not exceed 25% of the ex-works price of the product
ex 8414	Industrial fans, blowers and the like	<p>Manufacture in which:</p> <ul style="list-style-type: none"> <li>- all the materials used are classified within a heading other than that of the product;</li> <li>- the value of all the materials used does not exceed 40% of the ex-works price of the product</li> </ul>	Manufacture in which the value of all the materials used does not exceed 25% of the ex-works price of the product
8415	Air conditioning machines, comprising a motor-driven fan and elements for changing the temperature and humidity, including those machines in which the humidity cannot be separately regulated	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product	

8418	Refrigerators, freezers and other refrigerating or freezing equipment, electric or other; heat pumps other than air conditioning machines of heading No 8415	<p>Manufacture in which:</p> <ul style="list-style-type: none"> <li>- all the materials used are classified within a heading other than that of the product;</li> <li>- the value of all the materials used does not exceed 40% of the ex-works price of the product;</li> <li>- the value of all the non-originating materials used does not exceed the value of the originating materials used</li> </ul>	Manufacture in which the value of all the materials used does not exceed 25% of the ex-works price of the product
ex 8419	Machines for wood, paper pulp and paperboard industries	<p>Manufacture:</p> <ul style="list-style-type: none"> <li>- in which the value of all the materials used does not exceed 40% of the ex-works price of the product;</li> <li>- where, within the above limit, the materials classified within the same heading as the product are only used up to a value of 25% of the ex-works price of the product</li> </ul>	Manufacture in which the value of all the materials used does not exceed 30% of the ex-works price of the product
8420	Calendering or other rolling machines, other than for metals or glass, and cylinders therefor	<p>Manufacture:</p> <ul style="list-style-type: none"> <li>- in which the value of all the materials used does not exceed 40% of the ex-works price of the product;</li> <li>- where, within the above limit, the materials classified within the same heading as the product are only used up to a value of 25% of the ex-works price of the product</li> </ul>	Manufacture in which the value of all the materials used does not exceed 30% of the ex-works price of the product

8423	Weighing machinery (excluding balances of a sensitivity of 5 cg or better), including weight operated counting or checking machines; weighing machine weights of all kinds	<p>Manufacture in which:</p> <ul style="list-style-type: none"> <li>- all the materials used are classified within a heading other than that of the product;</li> <li>- the value of all the materials used does not exceed 40% of the ex-works price of the product</li> </ul>	Manufacture in which the value of all the materials used does not exceed 25% of the ex-works price of the product
8425 to 8428	Lifting, handling, loading or unloading machinery	<p>Manufacture:</p> <ul style="list-style-type: none"> <li>- in which the value of all the materials used does not exceed 40% of the ex-works price of the product;</li> <li>- where, within the above limit, the materials classified within heading No 8431 are only used up to a value of 10% of the ex-works price of the product</li> </ul>	Manufacture in which the value of all the materials used does not exceed 30% of the ex-works price of the product

8429	Self-propelled bulldozers, angledozers, graders, levellers, scrapers, mechanical shovels, excavators, shovel loaders, tamping machines and road rollers:		
	- Road rollers	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product	
	- Other	<p>Manufacture:</p> <ul style="list-style-type: none"> <li>- in which the value of all the materials used does not exceed 40% of the ex-works price of the product;</li> <li>- where, within the above limit, the materials classified within heading No 8431 are only used up to a value of 10% of the ex-works price of the product</li> </ul>	Manufacture in which the value of all the materials used does not exceed 30% of the ex-works price of the product
8430	Other moving, grading, levelling, scraping, excavating, tamping, compacting, extracting or boring machinery, for earth, minerals or ores; pile-drivers and pile-extractors; snow-ploughs and snow-blowers	<p>Manufacture:</p> <ul style="list-style-type: none"> <li>- in which the value of all the materials used does not exceed 40% of the ex-works price of the product;</li> <li>- where, within the above limit, the value of the materials classified within heading No 8431 are only used up to a value of 10% of the ex-works price of the product</li> </ul>	Manufacture in which the value of all the materials used does not exceed 30% of the ex-works price of the product



ex 8431	Parts suitable for use solely or principally with road rollers	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product	
8439	Machinery for making pulp of fibrous cellulosic material or for making or finishing paper or paperboard	<p>Manufacture:</p> <ul style="list-style-type: none"> <li>- in which the value of all the materials used does not exceed 40% of the ex-works price of the product;</li> <li>- where, within the above limit, the materials classified within the same heading as the product are only used up to a value of 25% of the ex-works price of the product</li> </ul>	Manufacture in which the value of all the materials used does not exceed 30% of the ex-works price of the product
8441	Other machinery for making up paper pulp, paper or paperboard, including cutting machines of all kinds	<p>Manufacture:</p> <ul style="list-style-type: none"> <li>- in which the value of all the materials used does not exceed 40% of the ex-works price of the product;</li> <li>- where, within the above limit, the materials classified within the same heading as the product are only used up to a value of 25% of the ex-works price of the product</li> </ul>	Manufacture in which the value of all the materials used does not exceed 30% of the ex-works price of the product
8444 to 8447	Machines of these headings for use in the textile industry	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product	
ex 8448	Auxiliary machinery for use with machines of headings Nos 8444 and 8445	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product	

8452	Sewing machines, other than book-sewing machines of heading No 8440; furniture, bases and covers specially designed for sewing machines; sewing machine needles:	
	<ul style="list-style-type: none"> <li>- Sewing machines (lock stitch only) with heads of a weight not exceeding 16 kg without motor or 17 kg with motor</li>   <li>- Other</li> </ul>	<p>Manufacture:</p> <ul style="list-style-type: none"> <li>- in which the value of all the materials used does not exceed 40% of the ex-works price of the product;</li> <li>- where the value of all the non-originating materials used in assembling the head (without motor) does not exceed the value of the originating materials used;</li> <li>- the thread tension, crochet and zigzag mechanisms used are already originating</li> </ul> <p>Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product</p>
8456 to 8466	Machine-tools and machines and their parts and accessories of headings Nos 8456 to 8466	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product
8469 to 8472	Office machines (for example, typewriters, calculating machines, automatic data processing machines, duplicating machines, stapling machines)	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product

8480	Moulding boxes for metal foundry; mould bases; moulding patterns; moulds for metal (other than ingot moulds), metal carbides, glass, mineral materials, rubber or plastics	Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product	
8482	Ball or roller bearings	<p>Manufacture in which:</p> <ul style="list-style-type: none"> <li>- all the materials used are classified within a heading other than that of the product;</li> <li>- the value of all the materials used does not exceed 40% of the ex-works price of the product</li> </ul>	Manufacture in which the value of all the materials used does not exceed 25% of the ex-works price of the product
8484	Gaskets and similar joints of metal sheeting combined with other material or of two or more layers of metal; sets or assortments of gaskets and similar joints, dissimilar in composition, put up in pouches, envelopes or similar packings; mechanical seals	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product	
8485	Machinery parts, not containing electrical connectors, insulators, coils, contacts or other electrical features, not specified or included elsewhere in this Chapter	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product	

ex Chapter 85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles; except for:	<p>Manufacture in which</p> <ul style="list-style-type: none"> <li>- all the materials used are classified within a heading other than that of the product;</li> <li>- the value of all the materials used does not exceed 40% of the ex-works price of the product</li> </ul>	<p>Manufacture in which the value of all the materials used does not exceed 30% of the ex-works price of the product</p>
8501	Electric motors and generators (excluding generating sets)	<p>Manufacture:</p> <ul style="list-style-type: none"> <li>- in which the value of all the materials used does not exceed 40% of the ex-works price of the product;</li> <li>- where, within the above limit, the materials classified within heading No 8503 are only used up to a value of 10% of the ex-works price of the product</li> </ul>	<p>Manufacture in which the value of all the materials used does not exceed 30% of the ex-works price of the product</p>
8502	Electric generating sets and rotary converters	<p>Manufacture:</p> <ul style="list-style-type: none"> <li>- in which the value of all the materials used does not exceed 40% of the ex-works price of the product;</li> <li>- where, within the above limit, the materials classified within heading No 8501 or 8503, taken together, are only used up to a value of 10% of the ex-works price of the product</li> </ul>	<p>Manufacture in which the value of all the materials used does not exceed 30% of the ex-works price of the product</p>
ex 8504	Power supply units for automatic data-processing machines	<p>Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product</p>	

ex 8518	Microphones and stands therefor; loudspeakers, whether or not mounted in their enclosures; audio-frequency electric amplifiers; electric sound amplifier sets	<p>Manufacture:</p> <ul style="list-style-type: none"> <li>- in which the value of all the materials used does not exceed 40% of the ex-works price of the product;</li> <li>- where the value of all the non-originating materials used does not exceed the value of the originating materials used</li> </ul>	Manufacture in which the value of all the materials used does not exceed 25% of the ex-works price of the product
8519	Turntables (record-decks), record-players, cassette-players and other sound reproducing apparatus, not incorporating a sound recording device	<p>Manufacture:</p> <ul style="list-style-type: none"> <li>- in which the value of all the materials used does not exceed 40% of the ex-works price of the product;</li> <li>- where the value of all the non-originating materials used does not exceed the value of the originating materials used</li> </ul>	Manufacture in which the value of all the materials used does not exceed 30% of the ex-works price of the product
8520	Magnetic tape recorders and other sound recording apparatus, whether or not incorporating a sound reproducing device	<p>Manufacture:</p> <ul style="list-style-type: none"> <li>- in which the value of all the materials used does not exceed 40% of the ex-works price of the product;</li> <li>- where the value of all the non-originating materials used does not exceed the value of the originating materials used</li> </ul>	Manufacture in which the value of all the materials used does not exceed 30% of the ex-works price of the product

8521

Video recording or reproducing apparatus, whether or not incorporating a video tuner

Manufacture:

- in which the value of all the materials used does not exceed 40% of the ex-works price of the product;

- where the value of all the non-originating materials used does not exceed the value of the originating materials used

Manufacture in which the value of all the materials used does not exceed 30% of the ex-works price of the product

8522	Parts and accessories suitable for use solely or principally with the apparatus of heading Nos 8519 to 8521	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product
8523	Prepared unrecorded media for sound recording or similar recording of other phenomena, other than products of Chapter 37	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product
8524	Records, tapes and other recorded media for sound or other similarly recorded phenomena, including matrices and masters for the production of records, but excluding products of Chapter 37:	
	- Matrices and masters for the production of records	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product
	- Other	<p>Manufacture:</p> <p>- in which the value of all the materials used does not exceed 40% of the ex-works price of the product;</p> <p>- where, within the above limit, the materials classified within heading No 8523 are only used up to a value of 10% of the ex-works price of the product</p> <p>Manufacture in which the value of all the materials used does not exceed 30% of the ex-works price of the product</p>

8525	Transmission apparatus for radio-telephony, radio-telegraphy, radio-broadcasting or television, whether or not incorporating reception apparatus or sound recording or reproducing apparatus; television cameras; still image video cameras and other video camera recorders	<p>Manufacture:</p> <ul style="list-style-type: none"> <li>- in which the value of all the materials used does not exceed 40% of the ex-works price of the product;</li> <li>- where the value of all the non-originating materials used does not exceed the value of the originating materials used</li> </ul>	Manufacture in which the value of all the materials used does not exceed 25% of the ex-works price of the product
8526	Radar apparatus, radio navigational aid apparatus and radio remote control apparatus	<p>Manufacture:</p> <ul style="list-style-type: none"> <li>- in which the value of all the materials used does not exceed 40% of the ex-works price of the product;</li> <li>- where the value of all the non-originating materials used does not exceed the value of the originating materials used</li> </ul>	Manufacture in which the value of all the materials used does not exceed 25% of the ex-works price of the product
8527	Reception apparatus for radio-telephony, radio-telegraphy or radio broadcasting, whether or not combined, in the same housing, with sound recording or reproducing apparatus or a clock	<p>Manufacture:</p> <ul style="list-style-type: none"> <li>- in which the value of all the materials used does not exceed 40% of the ex-works price of the product;</li> <li>- where the value of all the non-originating materials used does not exceed the value of the originating materials used</li> </ul>	Manufacture in which the value of all the materials used does not exceed 25% of the ex-works price of the product



8528	Reception apparatus for television, whether or not incorporating radio broadcast receivers or sound or video recording or reproducing apparatus; video monitors and video projectors	<p>Manufacture:</p> <ul style="list-style-type: none"> <li>- in which the value of all the materials used does not exceed 40% of the ex-works price of the product;</li> <li>- where the value of all the non-originating materials used does not exceed the value of the originating materials used</li> </ul>	Manufacture in which the value of all the materials used does not exceed 25% of the ex-works price of the product
8529	Parts suitable for use solely or principally with the apparatus of heading Nos 8525 to 8528:	<p>Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product</p>	<p>Manufacture in which the value of all the materials used does not exceed 25% of the ex-works price of the product</p>
	- Other	<p>Manufacture:</p> <ul style="list-style-type: none"> <li>- in which the value of all the materials used does not exceed 40% of the ex-works price of the product;</li> <li>- where the value of all the non-originating materials used does not exceed the value of the originating materials used</li> </ul>	<p>Manufacture in which the value of all the materials used does not exceed 25% of the ex-works price of the product</p>

8535 and 8536	Electrical apparatus for switching or protecting electrical circuits, or for making connections to or in electrical circuits	<p>Manufacture:</p> <ul style="list-style-type: none"> <li>- in which the value of all the materials used does not exceed 40% of the ex-works price of the product;</li> <li>- where, within the above limit, the materials classified within heading No 8538 are only used up to a value of 10% of the ex-works price of the product</li> </ul>	Manufacture in which the value of all the materials used does not exceed 30% of the ex-works price of the product
8537	Boards, panels, consoles, desks, cabinets and other bases, equipped with two or more apparatus of heading No 8535 or 8536, for electric control or the distribution of electricity, including those incorporating instruments or apparatus of Chapter 90, and numerical control apparatus, other than switching apparatus of heading No 8517	<p>Manufacture:</p> <ul style="list-style-type: none"> <li>- in which the value of all the materials used does not exceed 40% of the ex-works price of the product;</li> <li>- where, within the above limit, the materials classified within heading No 8538 are only used up to a value of 10% of the ex-works price of the product</li> </ul>	Manufacture in which the value of all the materials used does not exceed 30% of the ex-works price of the product
ex 8541	Diodes, transistors and similar semi-conductor devices, except wafers not yet cut into chips	<p>Manufacture in which:</p> <ul style="list-style-type: none"> <li>- all the materials used are classified within a heading other than that of the product;</li> <li>- the value of all the materials used does not exceed 40% of the ex-works price of the product</li> </ul>	Manufacture in which the value of all the materials used does not exceed 25% of the ex-works price of the product

8542

Electronic circuits and microassemblies integrated and

Manufacture:

- in which the value of all the materials used does not exceed 40% of the ex-works price of the product;

- where, within the above limit, the materials classified within heading No 8541 or 8542, taken together, are only used up to a value of 10% of the ex-works price of the product

Manufacture in which the value of all the materials used does not exceed 25% of the ex-works price of the product

8544	Insulated (including enamelled or anodised) wire, cable (including coaxial cable) and other insulated electric conductors, whether or not fitted with connectors; optical fibre cables, made up of individually sheathed fibres, whether or not assembled with electric conductors or fitted with connectors	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product
8545	Carbon electrodes, carbon brushes, lamp carbons, battery carbons and other articles of graphite or other carbon, with or without metal, of a kind used for electrical purposes	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product
8546	Electrical insulators of any material	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product

8547	<p>Insulating fittings for electrical machines, appliances or equipment, being fittings wholly of insulating materials apart from any minor components of metal (for example, threaded sockets) incorporated during moulding solely for purposes of assembly other than insulators of heading No 8546; electrical conduit tubing and joints therefor, of base metal lined with insulating material</p>	<p>Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product</p>
8548	<p>Waste and scrap of primary cells, primary batteries and electric accumulators; spent primary cells, spent primary batteries and spent electric accumulators; electrical parts of machinery or apparatus, not specified or included elsewhere in this Chapter</p>	<p>Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product</p>
ex Chapter 86	<p>Railway or tramway locomotives, rolling-stock and parts thereof; railway or tramway track fixtures and fittings and parts thereof; mechanical (including electro-mechanical) traffic signalling equipment of all kinds; except for:</p>	<p>Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product</p>

8608	Railway or tramway track fixtures and fittings; mechanical (including electro-mechanical) signalling, safety or traffic control equipment for railways, tramways, roads, inland waterways, parking facilities, port installations or airfields; parts of the foregoing	<p>Manufacture in which:</p> <ul style="list-style-type: none"> <li>- all the materials used are classified within a heading other than that of the product;</li> <li>- the value of all the materials used does not exceed 40% of the ex-works price of the product</li> </ul>	Manufacture in which the value of all the materials used does not exceed 30% of the ex-works price of the product
ex Chapter 87	Vehicles other than railway or tramway rolling-stock, and parts and accessories thereof; except for:	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product	
8709	Works trucks, self-propelled, not fitted with lifting or handling equipment, of the type used in factories, warehouses, dock areas or airports for short distance transport of goods; tractors of the type used on railway station platforms; parts of the foregoing vehicles	<p>Manufacture in which:</p> <ul style="list-style-type: none"> <li>- all the materials used are classified within a heading other than that of the product;</li> <li>- the value of all the materials used does not exceed 40% of the ex-works price of the product</li> </ul>	Manufacture in which the value of all the materials used does not exceed 30% of the ex-works price of the product
8710	Tanks and other armoured fighting vehicles, motorised, whether or not fitted with weapons, and parts of such vehicles	<p>Manufacture in which:</p> <ul style="list-style-type: none"> <li>- all the materials used are classified within a heading other than that of the product;</li> <li>- the value of all the materials used does not exceed 40% of the ex-works price of the product</li> </ul>	Manufacture in which the value of all the materials used does not exceed 30% of the ex-works price of the product

8711

Motorcycles (including mopeds) and cycles fitted with an auxiliary motor, with or without side-cars; side-cars:

- With reciprocating internal combustion piston engine of a cylinder capacity:

-- Not exceeding 50 cc

Manufacture:

- in which the value of all the materials used does not exceed 40% of the ex-works price of the product;

- where the value of all the non-originating materials used does not exceed the value of the originating materials used

Manufacture in which the value of all the materials used does not exceed 20% of the ex-works price of the product

-- Exceeding 50 cc

Manufacture:

- in which the value of all the materials used does not exceed 40% of the ex-works price of the product;

- where the value of all the non-originating materials used does not exceed the value of the originating materials used

Manufacture in which the value of all the materials used does not exceed 25% of the ex-works price of the product

	- Other	<p>Manufacture:</p> <ul style="list-style-type: none"> <li>- in which the value of all the materials used does not exceed 40% of the ex-works price of the product;</li> <li>- where the value of all the non-originating materials used does not exceed the value of the originating materials used</li> </ul>	<p>Manufacture in which the value of all the materials used does not exceed 30% of the ex-works price of the product</p>
ex 8712	Bicycles without ball bearings	<p>Manufacture from materials not classified in heading No 8714</p>	<p>Manufacture in which the value of all the materials used does not exceed 30% of the ex-works price of the product</p>
8715	Baby carriages and parts thereof	<p>Manufacture in which:</p> <ul style="list-style-type: none"> <li>- all the materials used are classified within a heading other than that of the product;</li> <li>- the value of all the materials used does not exceed 40% of the ex-works price of the product</li> </ul>	<p>Manufacture in which the value of all the materials used does not exceed 30% of the ex-works price of the product</p>
8716	Trailers and semi-trailers; other vehicles, not mechanically propelled; parts thereof	<p>Manufacture in which:</p> <ul style="list-style-type: none"> <li>- all the materials used are classified within a heading other than that of the product;</li> <li>- the value of all the materials used does not exceed 40% of the ex-works price of the product</li> </ul>	<p>Manufacture in which the value of all the materials used does not exceed 30% of the ex-works price of the product</p>



ex Chapter 88	Aircraft, spacecraft, and parts thereof; except for:	Manufacture in which all the materials used are classified within a heading other than that of the product	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product
ex 8804	Rotochutes	Manufacture from materials of any heading including other materials of heading No 8804	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product
8805	Aircraft launching gear; deck-arrestor or similar gear; ground flying trainers; parts of the foregoing articles	Manufacture in which all the materials used are classified within a heading other than that of the product	Manufacture in which the value of all the materials used does not exceed 30% of the ex-works price of the product
Chapter 89	Ships, boats and floating structures	Manufacture in which all the materials used are classified within a heading other than that of the product. However, hulls of heading No 8906 may not be used	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product
ex Chapter 90	Optical, photographic, measuring, checking, precision, medical or surgical instruments and apparatus; parts and accessories thereof; except for:	Manufacture in which: - all the materials used are classified within a heading other than that of the product; - the value of all the materials used does not exceed 40% of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 30% of the ex-works price of the product

9001	Optical fibres and optical fibre bundles; optical fibre cables other than those of heading No 8544; sheets and plates of polarising material; lenses (including contact lenses), prisms, mirrors and other optical elements, of any material, unmounted, other than such elements of glass not optically worked	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product
9002	Lenses, prisms, mirrors and other optical elements, of any material, mounted, being parts of or fittings for instruments or apparatus, other than such elements of glass not optically worked	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product
9004	Spectacles, goggles and the like, corrective, protective or other	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product
ex 9005	Binoculars, monoculars, other optical telescopes, and mountings therefor, except for astronomical refracting telescopes and mountings therefor	<p>Manufacture in which:</p> <ul style="list-style-type: none"> <li>- all the materials used are classified within a heading other than that of the product;</li> <li>- the value of all the materials used does not exceed 40% of the ex-works price of the product;</li> <li>- the value of all the non-originating materials used does not exceed the value of the originating materials used</li> </ul> <p>Manufacture in which the value of all the materials used does not exceed 30% of the ex-works price of the product</p>

ex 9006	Photographic (other than cinematographic) cameras; photographic flashlight apparatus and flashbulbs other than electrically ignited flashbulbs	<p>Manufacture in which:</p> <ul style="list-style-type: none"> <li>- all the materials used are classified within a heading other than that of the product;</li> <li>- the value of all the materials used does not exceed 40% of the ex-works price of the product;</li> <li>- the value of all the non-originating materials used does not exceed the value of the originating materials used</li> </ul>	Manufacture in which the value of all the materials used does not exceed 30% of the ex-works price of the product
9007	Cinematographic cameras and projectors, whether or not incorporating sound recording or reproducing apparatus	<p>Manufacture in which:</p> <ul style="list-style-type: none"> <li>- all the materials used are classified within a heading other than that of the product;</li> <li>- the value of all the materials used does not exceed 40% of the ex-works price of the product;</li> <li>- the value of all the non-originating materials used does not exceed the value of the originating materials used</li> </ul>	Manufacture in which the value of all the materials used does not exceed 30% of the ex-works price of the product
9011	Compound optical microscopes, including those for photomicrography, cinephotomicrography or microprojection	<p>Manufacture in which:</p> <ul style="list-style-type: none"> <li>- all the materials used are classified within a heading other than that of the product;</li> <li>- the value of all the materials used does not exceed 40% of the ex-works price of the product;</li> <li>- the value of all the non-originating materials used does not exceed the value of the originating materials used</li> </ul>	Manufacture in which the value of all the materials used does not exceed 30% of the ex-works price of the product

ex 9014	Other navigational instruments and appliances	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product
9015	Surveying (including photogrammetrical surveying), hydrographic, oceanographic, hydrological, meteorological or geophysical instruments and appliances, excluding compasses; rangefinders	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product
9016	Balances of a sensitivity of 5 cg or better, with or without weights	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product
9017	Drawing, marking-out or mathematical calculating instruments (for example, drafting machines, pantographs, protractors, drawing sets, slide rules, disc calculators); instruments for measuring length, for use in the hand (for example, measuring rods and tapes, micrometers, callipers), not specified or included elsewhere in this Chapter	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product
9018	Instruments and appliances used in medical, surgical, dental or veterinary sciences, including scintigraphic apparatus, other electro-medical apparatus and sight-testing instruments:	

	- Dentists' chairs incorporating dental appliances or dentists' spittoons	Manufacture from materials of any heading, including other materials of heading No 9018	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product
	- Other	Manufacture in which: - all the materials used are classified within a heading other than that of the product;  - the value of all the materials used does not exceed 40% of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 25% of the ex-works price of the product
9019	Mechano-therapy appliances; massage apparatus; psychological aptitude-testing apparatus; ozone therapy, oxygen therapy, aerosol therapy, artificial respiration or other therapeutic respiration apparatus	Manufacture in which: - all the materials used are classified within a heading other than that of the product;  - the value of all the materials used does not exceed 40% of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 25% of the ex-works price of the product
9020	Other breathing appliances and gas masks, excluding protective masks having neither mechanical parts nor replaceable filters	Manufacture in which: - all the materials used are classified within a heading other than that of the product;  - the value of all the materials used does not exceed 40% of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 25% of the ex-works price of the product

9024	Machines and appliances for testing the hardness, strength, compressibility, elasticity or other mechanical properties of materials (for example, metals, wood, textiles, paper, plastics)	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product
9025	Hydrometers and similar floating instruments, thermometers, pyrometers, barometers, hygrometers and psychrometers, recording or not, and any combination of these instruments	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product
9026	Instruments and apparatus for measuring or checking the flow, level, pressure or other variables of liquids or gases (for example, flow meters, level gauges, manometers, heat meters), excluding instruments and apparatus of heading No 9014, 9015, 9028 or 9032	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product

9027	Instruments and apparatus for physical or chemical analysis (for example, polarimeters, refractometers, spectrometers, gas or smoke analysis apparatus); instruments and apparatus for measuring or checking viscosity, porosity, expansion, surface tension or the like; instruments and apparatus for measuring or checking quantities of heat, sound or light (including exposure meters); microtomes	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product
9028	Gas, liquid or electricity supply or production meters, including calibrating meters therefor:	
	- Parts and accessories	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product
	- Other	<p>Manufacture:</p> <p>- in which the value of all the materials used does not exceed 40% of the ex-works price of the product;</p> <p>- where the value of all the non-originating materials used does not exceed the value of the originating materials used</p> <p>Manufacture in which the value of all the materials used does not exceed 30% of the ex-works price of the product</p>

9029	Revolution counters, production counters, taximeters, mileometers, pedometers and the like; speed indicators and tachometers, other than those of heading Nos 9014 or 9015; stroboscopes	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product
9030	Oscilloscopes, spectrum analysers and other instruments and apparatus for measuring or checking electrical quantities, excluding meters of heading No 9028; instruments and apparatus for measuring or detecting alpha, beta, gamma, X-ray, cosmic or other ionising radiations	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product
9031	Measuring or checking instruments, appliances and machines, not specified or included elsewhere in this Chapter; profile projectors	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product
9032	Automatic regulating or controlling instruments and apparatus	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product



9033	Parts and accessories (not specified or included elsewhere in this Chapter) for machines, appliances, instruments or apparatus of Chapter 90	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product	
ex Chapter 91	Clocks and watches and parts thereof; except for:	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product	
9105	Other clocks	<p>Manufacture:</p> <ul style="list-style-type: none"> <li>- in which the value of all the materials used does not exceed 40% of the ex-works price of the product;</li> <li>- where the value of all the non-originating materials used does not exceed the value of the originating materials used</li> </ul>	Manufacture in which the value of all the materials used does not exceed 30% of the ex-works price of the product
9109	Clock movements, complete and assembled	<p>Manufacture:</p> <ul style="list-style-type: none"> <li>- in which the value of all the materials used does not exceed 40% of the ex-works price of the product;</li> <li>- where the value of all the non-originating materials used does not exceed the value of the originating materials used</li> </ul>	Manufacture in which the value of all the materials used does not exceed 30% of the ex-works price of the product

9110	Complete watch or clock movements, unassembled or partly assembled (movement sets); incomplete watch or clock movements, assembled; rough watch or clock movements	<p>Manufacture:</p> <ul style="list-style-type: none"> <li>- in which the value of all the materials used does not exceed 40% of the ex-works price of the product;</li> <li>- where, within the above limit, the materials classified within heading No 9114 are only used up to a value of 10% of the ex-works price of the product</li> </ul>	Manufacture in which the value of all the materials used does not exceed 30% of the ex-works price of the product
9111	Watch cases and parts thereof	<p>Manufacture in which:</p> <ul style="list-style-type: none"> <li>- all the materials used are classified within a heading other than that of the product;</li> <li>- the value of all the materials used does not exceed 40% of the ex-works price of the product</li> </ul>	Manufacture in which the value of all the materials used does not exceed 30% of the ex-works price of the product
9112	Clock cases and cases of a similar type for other goods of this Chapter, and parts thereof	<p>Manufacture in which:</p> <ul style="list-style-type: none"> <li>- all the materials used are classified within a heading other than that of the product;</li> <li>- the value of all the materials used does not exceed 40% of the ex-works price of the product</li> </ul>	Manufacture in which the value of all the materials used does not exceed 30% of the ex-works price of the product
9113	Watch straps, watch bands and watch bracelets, and parts thereof:		

	<ul style="list-style-type: none"> <li>- Of base metal, whether or not gold- or silver-plated, or of metal clad with precious metal</li>   <li>- Other</li> </ul>	<p>Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product</p> <p>Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product</p>	
Chapter 92	Musical instruments; parts and accessories of such articles	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product	
Chapter 93	Arms and ammunition; parts and accessories thereof	Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product	
ex Chapter 94	Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings; lamps and lighting fittings, not elsewhere specified or included; illuminated signs, illuminated name-plates and the like; prefabricated buildings; except for:	Manufacture in which all the materials used are classified within a heading other than that of the product	Manufacture in which the value of all the materials used does not exceed 40% of the ex works price of the product

ex 9401 and ex 9403	Base metal furniture, incorporating unstuffed cotton cloth of a weight of 300 g/m <sup>2</sup> or less	<p>Manufacture in which all the materials used are classified in a heading other than that of the product</p> <p>or</p> <p>Manufacture from cotton cloth already made up in a form ready for use of heading No 9401 or 9403, provided:</p> <ul style="list-style-type: none"> <li>- its value does not exceed 25% of the ex-works price of the product;</li> <li>- all the other materials used are already originating and are classified in a heading other than heading No 9401 or 9403</li> </ul>	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product
9405	Lamps and lighting fittings including searchlights and spotlights and parts thereof, not elsewhere specified or included; illuminated signs, illuminated name-plates and the like, having a permanently fixed light source, and parts thereof not elsewhere specified or included	Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product	
9406	Prefabricated buildings	Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product	

ex Chapter 95	Toys, games and sports requisites; parts and accessories thereof; except for:	Manufacture in which all the materials used are classified within a heading other than that of the product
9503	Other toys; reduced-size ("scale") models and similar recreational models, working or not; puzzles of all kinds	Manufacture in which: - all the materials used are classified within a heading other than that of the product;  - the value of all the materials used does not exceed 50% of the ex-works price of the product
ex 9506	Golf clubs and parts thereof	Manufacture in which all the materials used are classified within a heading other than that of the product. However, roughly shaped blocks for making golf club heads may be used
ex Chapter 96	Miscellaneous manufactured articles; except for:	Manufacture in which all the materials used are classified within a heading other than that of the product
ex 9601 and ex 9602	Articles of animal, vegetable or mineral carving materials	Manufacture from "worked" carving materials of the same heading

ex 9603	Brooms and brushes (except for besoms and the like and brushes made from marten or squirrel hair), hand-operated mechanical floor sweepers, not motorised, paint pads and rollers, squeegees and mops	Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
9605	Travel sets for personal toilet, sewing or shoe or clothes cleaning	Each item in the set must satisfy the rule, which would apply to it if it were not included in the set. However, non-originating articles may be incorporated, provided their total value does not exceed 15% of the ex-works price of the set
9606	Buttons, press-fasteners, snap-fasteners and press-studs, button moulds and other parts of these articles; button blanks	<p>Manufacture in which:</p> <ul style="list-style-type: none"> <li>- all the materials used are classified within a heading other than that of the product;</li> <li>- the value of all the materials used does not exceed 50% of the ex-works price of the product</li> </ul>
9608	Ball-points pens; felt-tipped and other porous-tipped pens and markers; fountain pens, stylograph pens and other pens; duplicating stylos; propelling or sliding pencils; penholders, pencil-holders and similar holders; parts (including caps and clips) of the foregoing articles, other than those of heading No 9609	<p>Manufacture in which all the materials used are classified within a heading other than that of the product.</p> <p>However, nibs or nib-points classified within the same heading may be used</p>

9612	Typewriter or similar ribbons, inked or otherwise prepared for giving impressions, whether or not on spools or in cartridges; ink-pads, whether or not inked, with or without boxes	<p>Manufacture in which:</p> <ul style="list-style-type: none"> <li>- all the materials used are classified within a heading other than that of the product;</li> <li>- the value of all the materials used does not exceed 50% of the ex-works price of the product</li> </ul>
ex 9613	Lighters with piezo-igniter	Manufacture in which the value of all the materials of heading No 9613 used does not exceed 30% of the ex-works price of the product
ex 9614	Smoking pipes and pipe bowls	Manufacture from roughly shaped blocks
Chapter 97	Works of art, collectors' pieces and antiques	Manufacture in which all the materials used are classified within a heading other than that of the product

### **Annex 3 to ANNEX III**

#### Form for movement certificate

1. Movement certificates EUR.1 shall be made out on the form of which a specimen appears in this Annex. This form shall be printed in one or more of the languages in which the Agreement is drawn up. Certificates shall be made out in one of these languages and in accordance with the provisions of the domestic law of the exporting State if they are handwritten, they shall be completed in ink and in capital letters.
  
2. Each certificate shall measure 210 x 297mm, a tolerance of up to plus 8mm or minus 5mm in the length may be allowed. The paper used must be white, sized for writing, not containing mechanical pulp and weighing not less than 25g/m<sup>2</sup>. It shall have a printed green guilloche pattern background making any falsification by mechanical or chemical means apparent to the eye.
  
3. The exporting States may reserve the right to print the certificates themselves or may have them printed by approved printers. In the latter case each certificate must include a reference to such approval. Each certificate must bear the name and address of the printer or a mark by which the printer can be identified. It shall also bear a serial number, either printed or not, by which it can be identified.





8. Item number; Marks and numbers; Number and kind of package <sup>(1)</sup> ; Description of goods	9. Gross mass (kg) or other measure (litres, m <sup>3</sup> , etc.)	10. Invoices <i>(Optional)</i>

<p><b>11. CUSTOMS ENDORSEMENT</b></p> <p>Declaration certified</p> <p>Export document (2)</p> <p>Form.....No .....</p> <p>Customs office .....</p> <p>Issuing country or territory</p> <p>.....</p> <p>Date.....</p> <p>.....</p> <p style="text-align: center;"><i>(Signature)</i></p>	<p>Stamp</p>	<p><b>12. DECLARATION BY THE EXPORTER</b></p> <p>I, the undersigned, declare that the goods described above meet the conditions required for the issue of this certificate.</p>  <p>Place and date .....</p> <p>.....</p> <p style="text-align: center;"><i>(Signature)</i></p>
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(1) If goods are not packed, indicate number of articles or state "In bulk" as appropriate

(2) Complete only where the regulations of the exporting country or territory require



## NOTES

1. Certificates must not contain erasures or words written over one another. Any alterations must be made by deleting the incorrect particulars and adding any necessary corrections. Any such alteration must be initialled by the person who completed the certificate and endorsed by the customs authorities of the issuing country or territory.
2. No spaces must be left between the items entered on the certificate and each item must be preceded by an item number. A horizontal line must be drawn immediately below the last item. Any unused space must be struck through in such a manner as to make any later additions impossible.
3. Goods must be described in accordance with commercial practice and with sufficient detail to enable them to be identified.

**APPLICATION FOR A MOVEMENT CERTIFICATE**

<b>1. Exporter</b> <i>(name, full address, country) (Optional)</i>	<b>EUR.1                      No A                      000.000</b>	
	See notes overleaf before completing this form	
	<b>2. Application for a certificate to be used in preferential trade between</b>	
<b>3. Consignee</b> <i>(name, full address, country) (Optional)</i>	<b>and</b>	
	<i>(insert appropriate countries or groups of countries or territories)</i>	
	<b>4. Country, group of countries or territory in which the products are considered as originating</b>	<b>5. Country, group of countries or territory of destination</b>
<b>6. Transport details</b> <i>(Optional)</i>	<b>7. Remarks</b>	

8. Item number; Marks and numbers; Number and kind of packages (°); Description of goods	9. Gross mass (kg) or other measure (litres, m <sup>3</sup> , etc.)	10. Invoices <i>(Optional)</i>

(1) If goods are not packed, indicate number of articles or state "In bulk" as appropriate





**DECLARATION BY THE EXPORTER**

I, the undersigned, exporter of the goods described overleaf,

DECLARE that the goods meet the conditions required for the issue of the attached certificate;

SPECIFY as follows the circumstances which have enabled these goods to meet the above conditions:

.....  
.....  
.....  
.....

SUBMIT the following supporting documents <sup>(1)</sup>:

.....  
.....  
.....  
.....

UNDERTAKE to submit, at the request of the appropriate authorities, any supporting evidence which these authorities may require for the purpose of issuing the attached certificate, and undertake, if required, to agree to any inspection of my accounts and to any check on the processes of manufacture of the above goods, carried out by the said authorities;

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<sup>(1)</sup> For example, import documents, movement certificates, manufacturer's declarations, etc. referring to the products used in manufacture or to the goods re-exported in the same state.

REQUEST the issue of the attached certificate for these goods.

.....  
*(Place and date)*

.....  
*(Signature)*

## **Annex 4 TO ANNEX III**

### **Invoice declaration**

The invoice declaration, the text of which is given below, must be made out in accordance with the footnotes. However, the footnotes do not have to be reproduced.

#### English version

The exporter of the products covered by this document (customs authorisation No ... (1)) declares that, except where otherwise clearly indicated, these products are of ... preferential origin (2).

#### Spanish version

El exportador de los productos incluidos en el presente documento (autorización aduanera n° ... (1)) declara que, salvo indicación en sentido contrario, estos productos gozan de un origen preferencial ... (2).

#### Danish version

Eksportøren af varer, der er omfattet af nærværende dokument, (toldmyndighedernes tilladelse nr. ... (1)), erklærer, at varerne, medmindre andet tydeligt er angivet, har præferenceoprindelse i ... (2).

- 
- <sup>(1)</sup> When the invoice declaration is made out by an approved exporter within the meaning of Article 20 of the Protocol, the authorisation number of the approved exporter must be entered in this space. When the invoice declaration is not made out by an approved exporter, the words in brackets shall be omitted or the space left blank.
- <sup>(2)</sup> Origin of products to be indicated. When the invoice declaration relates in whole or in part, to products originating in Ceuta and Melilla within the meaning of Article 39 of the Protocol, the exporter must clearly indicate them in the document on which the declaration is made out by means of the symbol "CM".

#### German version

Der Ausführer (Ermächtigter Ausführer; Bewilligungs-Nr. ... (1) der Waren, auf die sich dieses Handelspapier bezieht, erklärt, dass diese Waren, soweit nicht anders angegeben, präferenzbegünstigte ... Ursprungswaren sind (2)

#### Greek version

Ο εξαγωγέας των προϊόντων που καλύπτονται από το παρόν έγγραφο (άδεια τελωνείου υπ' αριθ. .... (1)) δηλώνει ότι, εκτός εάν δηλώνεται σαφώς άλλως, τα προϊόντα αυτά είναι προτιμησιακής καταγωγής .... (2).

#### French version

L'exportateur des produits couverts par le présent document (autorisation douanière n° ... (1)), déclare que, sauf indication claire du contraire, ces produits ont l'origine préférentielle ... (2).

#### Italian version

L'esportatore delle merci contemplate nel presente documento (autorizzazione doganale n. ... (1)) dichiara che, salvo indicazione contraria, le merci sono di origine preferenziale ... (2).

#### Dutch version

De exporteur van de goederen waarop dit document van toepassing is (douanevergunning nr. ... (1)) verklaart dat, behoudens uitdrukkelijke andersluidende vermelding, deze goederen van preferentiële ... oorsprong zijn (2).

---

(1) When the invoice declaration is made out by an approved exporter within the meaning of Article 20 of the Protocol, the authorisation number of the approved exporter must be entered in this space. When the invoice declaration is not made out by an approved exporter, the words in brackets shall be omitted or the space left blank.

Portuguese version

O abaixo assinado, exportador dos produtos cobertos pelo presente documento (autorização aduaneira n° ... (1)), declara que, salvo expressamente indicado em contrário, estes produtos são de origem preferencial ... (2).

Finnish version

Tässä asiakirjassa mainittujen tuotteiden viejä (tullin lupan:o ... (1)) ilmoittaa, että nämä tuotteet ovat, ellei toisin ole selvästi merkitty, etuuskohteluun oikeutettuja ... alkuperätuotteita (2).

Swedish version

Exportören av de varor som omfattas av detta dokument (tullmyndighetens tillstånd nr. ... (1)) försäkrar att dessa varor, om inte annat tydligt markerats, har förmånsberättigande ... ursprung (2).

..... (3)

(Place and date)

---

<sup>(2)</sup> Origin of products to be indicated. When the invoice declaration relates in whole or in part, to products originating in Ceuta and Melilla within the meaning of Article 39 of the Protocol, the exporter must clearly indicate them in the document on which the declaration is made out by means of the symbol "CM".

<sup>(3)</sup> These indications may be omitted if the information is contained on the document itself.

..... (4)

(Signature of the exporter; in addition the name of the person signing the declaration has to be indicated in clear script)

---

<sup>(4)</sup> See Article 19(5) of the Protocol. In cases where the exporter is not required to sign, the exemption of signature also implies the exemption of the name of the signatory.

**Annex 5A TO ANNEX III**

Supplier declaration for products having preferential origin status

I, the undersigned, declare that the goods listed on this invoice .....<sup>(1)</sup>

were produced in .....<sup>(2)</sup> and satisfy the rules of origin governing preferential trade between the ACP States and the European Community.

I undertake to make available to the customs authorities, if required, evidence in support of this declaration.

.....<sup>(3)</sup> .....<sup>(4)</sup>

.....<sup>(5)</sup>

Note

The abovementioned text, suitably completed in conformity with the footnotes below, constitutes a supplier's declaration. The footnotes do not have to be reproduced.

<sup>(1)</sup> - If only some of the goods listed on the invoice are concerned they should be clearly indicated or marked and this marking entered on the declaration as follows: "..... listed on this invoice and marked .....were produced ....."

- If a document other than an invoice or an annex to the invoice is used (see Article 26(3)), the name of the document concerned shall be mentioned instead of the word "invoice"

<sup>(2)</sup> The Community, Member State, ACP State or OCT. Where an ACP State or an OCT is given, a reference must also be made to the Community customs office holding any EUR.1 (s) concerned, giving the No of the certificate(s) concerned and, if possible, the relevant customs entry No involved.

<sup>(3)</sup> Place and date

(<sup>4</sup>) Name and function in company

(<sup>5</sup>) Signature



**Annex 5B TO ANNEX III**

Supplier declaration for products not having preferential original status

I, the undersigned, declare that the goods listed on this invoice .....<sup>(1)</sup> were produced in .....<sup>(2)</sup> and incorporate the following components or materials which do not have ACP, OCT or Community origin for preferential trade:

.....<sup>(3)</sup> .....<sup>(4)</sup> .....<sup>(5)</sup>  
.....  
.....  
.....  
.....<sup>(6)</sup>

I undertake to make available to the customs authorities, if required, evidence in support of this declaration.

.....<sup>(7)</sup> .....<sup>(8)</sup>  
.....<sup>(9)</sup>

Note

The abovementioned text, suitably completed in conformity with the footnotes below, constitutes a supplier's declaration. The footnotes do not have to be reproduced.

<sup>(1)</sup> - If only some of the goods listed on the invoice are concerned they should be clearly indicated or marked and this marking entered on the declaration as follows: "..... listed on this invoice and marked .....were produced ....."

- If a document other than an invoice or an annex to the invoice is used (see Article 26(3)), the name of the document concerned shall be mentioned instead of the word "invoice"
- (<sup>2</sup>) The Community, Member State, ACP State, OCT or South Africa.
- (<sup>3</sup>) Description is to be given in all cases. The description must be adequate and should be sufficiently detailed to allow the tariff classification of the goods concerned to be determined.
- (<sup>4</sup>) Customs values to be given only if required
- (<sup>5</sup>) Country of origin to be given only if required. The origin to be given must be a preferential origin, all other origins to be given as "third country".
- (<sup>6</sup>) "and have undergone the following processing in [ the Community] [Member State] [ACP State] [OCT] [South Africa] ....., to be added with a description of the processing carried out if this information is required.
- (<sup>7</sup>) Place and date
- (<sup>8</sup>) Name and function in company
- (<sup>9</sup>) Signature

## **Annex 6 TO ANNEX III**

### Information Certificate

1. The form of information certificate given in this Annex shall be used and be printed in one or more of the official languages in which the Agreement is drawn up and in accordance with the provisions of the domestic law of the exporting State. Information certificates shall be completed in one of those languages; if they are hand-written, they shall be completed in ink in capital letters. They shall bear a serial number, whether or not printed, by which they can be identified.
2. The information certificate shall measure 210 x 297mm, a tolerance of up to plus 8mm or minus 5mm in the length may be allowed. The paper must be white, sized for writing, not containing mechanical pulp and weighing not less than 25g/m<sup>2</sup>.
3. The national administrators may reserve the right to print the forms themselves or may have them printed by printers approved by them. In the latter case, each form must include a reference to such approval. The forms shall bear the name and address of the printer or a mark by which the printer can be identified.

# European Communities

1. Supplier(.)	<p><b>INFORMATION CERTIFICATE</b></p> <p>to facilitate the issue of a</p> <p><b>MOVEMENT CERTIFICATE</b></p> <p>for preferential trade between the</p>				
2. Consignee <sup>(1)</sup>	<div style="border: 1px solid black; width: 80%; margin: 0 auto; padding: 10px;"> <p style="text-align: center; margin: 0;"><b>EUROPEAN COMMUNITY</b></p> </div>				
3. Processor <sup>(1)</sup>	4. State in which the working or processing has been carried out				
6. Customs office of importation <sup>(1)</sup>	5. For official use				
<p>7. Import document <sup>(2)</sup></p> <p>Form ..... No .....</p> <p>Series.....</p> <p>Date <table border="1" style="display: inline-table; border-collapse: collapse; text-align: center; width: 40px; height: 20px;"><tr><td style="width: 10px;"> </td><td style="width: 10px;"> </td><td style="width: 10px;"> </td></tr></table></p>					
<b>GOODS SENT TO THE MEMBER STATES OF DESTINATION</b>					
8. Marks, numbers, quantity and kind of package	9. Harmonised Commodity Description and Coding System heading/subheading number (HS code)	10. Quantity <sup>(1)</sup>			
		11. Value <sup>(4)</sup>			

--	--	--

**IMPORTED GOODS USED**

12. Harmonised Commodity Description and Coding System  heading/subheading number (HS code)	13. Country of  origin	14. Quantity <sup>(3)</sup>	15. Value <sup>(2)(5)</sup>
---	------------------------------	-----------------------------	-----------------------------

16. Nature of the working or processing carried out

17. Remarks

<p><b>18. CUSTOMS ENDORSEMENT</b></p> <p>Declaration certified:</p> <p>Document .....</p> <p>Form .....No.....</p> <p>Customs office ..... .....</p> <p>Date: <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td></tr></table></p> <div style="text-align: center; margin-top: 20px;"> <table border="1" style="border-collapse: collapse; width: 60px; height: 40px; margin: 0 auto;"> <tr> <td style="text-align: center; padding: 5px;">Official Stamp</td> </tr> </table> </div> <p style="text-align: center; margin-top: 20px;">----- (Signature)</p>				Official Stamp	<p><b>19. DECLARATION BY THE SUPPLIER</b></p> <p>I, the undersigned, declare that the information on this certificate is accurate.</p> <div style="text-align: center; margin-top: 20px;"> <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td></tr></table> </div> <p style="text-align: center; margin-top: 5px;">(Place)                      (Date)</p> <p style="text-align: center; margin-top: 20px;">----- (Signature)</p>			
Official Stamp								

(1)(2)(3)(4)(5) See footnotes on verso

<b>REQUEST FOR VERIFICATION</b>	<b>RESULT OF VERIFICATION</b>
<p>The undersigned customs official requests verification of the authenticity and accuracy of this information certificate.</p>	<p>Verification carried out by the undersigned customs official shows that this information certificate:</p> <p>a) was issued by the customs office indicated and that the information contained therein is accurate (*)</p> <p>b) does not meet the requirements as to authenticity and accuracy (see notes appended) (*)</p>
<p>-----</p> <p style="text-align: center;">(Place and date)</p>	<p>-----</p> <p style="text-align: center;">(Place and date)</p>
<div style="border: 1px solid black; width: 60px; height: 40px; margin: 0 auto; text-align: center; padding: 5px;"> <p>Official stamp</p> </div>	<div style="border: 1px solid black; width: 60px; height: 40px; margin: 0 auto; text-align: center; padding: 5px;"> <p>Official stamp</p> </div>
<p>-----</p> <p style="text-align: center;">(Official's signature)</p>	<p>-----</p> <p style="text-align: center;">(Official's signature)</p> <p>(*) Delete where not applicable</p>

## CROSS REFERENCES

- (1) Name of individual or business and full address.
- (2) Optional information.
- (3) Kg, hl, m<sup>3</sup> or other measure.
- (4) Packaging shall be considered as forming a whole with the goods contained therein. However, this provision shall not apply to packaging which is not of the normal type for the article packed, and which has a lasting utility value of its own, apart from its function as packaging.
- (5) The value must be indicated in accordance with the provisions on rules of origin.

**Annex 7 to ANNEX III**  
*Form for application for a derogation*

1. Commercial description of the finished product 1.1 Customs classification (HS code)	2. Anticipated annual quantity of exports to the Community (weight, No of pieces, meters or other unit)
3. Commercial description of third country materials Customs classification (H. S. code)	4. Anticipated annual quantity of third country materials to be used
5. Value of third country materials	6. Value of finished products
7. Origin of third country materials	8. Reasons why the rule of origin for the finished product can be fulfilled
9. Commercial description of materials originating in the ACP States, EC or OCT to be used	10. Anticipated annual quantity of ACP, EC or OCT materials to be used
11. Value of ACP, EC or OCT materials	12. Working or processing carried out in the EC or OCT on third country materials without obtaining origin
13. Duration requested for derogation from..... to.....	
14. Detailed description of working and processing	15. Capital structure of the firm concerned
	16. Amount of investments made/foreseen
	17. Staff employed/expected
18. Value added by the working or processing in the ACP States:  18.1 Labour:	20. Possible developments to overcome the need for a derogation
19. Other possible sources of supply for materials	21. Observations



## NOTES

1. If the boxes in the form are not sufficient to contain all relevant information, additional pages may be attached to the form. In this case, the mention "see annex" shall be entered in the box concerned.
2. If possible, samples or other illustrative material (pictures, designs, catalogues, etc) of the final product and of the materials should accompany the form.
3. A form shall be completed for each product covered by the request.

Boxes 3,4,5,7: "third country" means any country which is not an ACP or Community State or OCT.

Box 12: If third country materials have been worked or processed in the Community or in the OCT without obtaining origin, before being further processed in the ACP State requesting the derogation, indicate the working or processing carried out in the Community or OCT.

Box 13: The dates to be indicated are the initial and final one for the period in which EUR 1 certificates may be issued under the derogation.

Box 18: Indicate either the percentage of added value in respect of the ex-works price of the product or the monetary amount of added-value for unit of product.

Box 19: If alternative sources of material exist, indicate here what they are and, if possible, the reasons of cost or other reasons why they are not used.

Box 20: Indicate possible further investments or suppliers' differentiation which make the derogation necessary for only a limited period of time.

## ANNEX IV

### **CONCERNING THE 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 39 of the Decision apply only to products, satisfying the requirements of this Annexe, 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;
  - (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 39 of the Decision shall be given by an Export Certificate EXP, a specimen of which appears in Annex 1 to this Annex.

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 authorized representative.

3. For this purpose, the exporter or his authorized representative shall fill out the Export Certificate EXP, a specimen of which appears in Annex 1. These forms shall be completed in accordance with the provisions of this Annexe. 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 Certificate EXP is issued, all appropriate documents proving that the products to be exported are such as to qualify for the issue of an Export Certificate EXP.

Exporters are required to keep the supporting documents referred to in this paragraph for at least three years.

5. An Export Certificate EXP shall be issued by the customs authorities of the exporting OCT if the products concerned can be considered as having been in free circulation and fulfil the other provisions of Article 39 of the Decision.

6. The issuing customs authorities shall take any steps necessary to verify the correctness of the application. 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 form referred to in paragraph 3 is 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. The date of issue of the Export Certificate EXP shall be indicated in Box 11 of the certificate.

8. An Export Certificate EXP shall be issued by the customs authorities and made available to the exporter as soon as actual exportation has been effected or ensured.

### Article 3

#### Issue of a duplicate Export Certificate EXP

1. In the event of theft, loss or destruction of an Export Certificate EXP, 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 issued in this way must be endorsed with one of the following words:

"DUPLIKAT", "DUPLICATA", "DUPLICATO", "DUPLICAAT", "DUPLICATE", "ΑΝΤΙΓΡΑΦΟ", "DUPLICADO", "SEGUNDA VIA", "KAKSOISKAPPALE",.

3. The endorsement referred to in paragraph 2 shall be inserted in the "Remarks" box 7 of the duplicate Export Certificate EXP.

4. The duplicate, which must bear the date of issue of the original Export Certificate EXP, shall take effect as from that date.

#### Article 4

##### Validity of Export Certificates EXP

1. An Export Certificate EXP shall be valid for four months from the date of issue in the exporting OCT, and must be submitted within the said period to the customs authorities of the importing country.
2. Exports Certificate EXP 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 the arrangements, 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 Export Certificates EXP where the products have been submitted before the said final date.

#### Article 5

##### Submission of Export Certificates EXP

Export Certificates EXP 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 Export Certificates EXP 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.

#### ARRANGEMENTS FOR ADMINISTRATIVE COOPERATION

#### Article 6

##### Mutual assistance

1. The OCT shall send to the Commission specimens of the stamps used together with the addresses of the customs authorities competent to issue Export Certificates EXP if they differ from those included in Article 31 of Annexe VI. The OCT shall carry out the subsequent verification of Export Certificates EXP.

Export Certificates EXP shall be accepted for the purpose of applying the arrangements provided for from the date the information is received by the Commission.

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

2. In order to ensure the proper application of this Annexe , the OCT and the Community shall assist each other, through the competent customs administrations, in checking the authenticity of the Export Certificates EXP and the correctness of the information given in these documents.

## Article 7

### Verification of Export Certificates EXP

1. Subsequent verifications of Export Certificates EXP 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 or the compliance with the provisions of Article 39 of the Decision.
2. For the purposes of implementing the provisions of paragraph 1, the customs authorities of the importing country shall return the Export Certificate EXP, the relevant commercial documents or a copy of these documents, to the customs authorities of the exporting OCT giving, where appropriate, the reasons for the enquiry. Any documents and information obtained suggesting that the information given on the Export Certificate EXP is incorrect shall be forwarded in support of the request for verification.
3. The verification shall be carried out by the customs authorities of the exporting OCT. 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.
4. If the customs authorities of the importing country decide to suspend the application of the arrangements 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.
5. 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 having fulfilled the provisions of Article 39 of the Decision.
6. 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 that the products to be exported are such as to qualify for the issue of an Export Certificate EXP, the requesting customs authorities shall, except in exceptional circumstances, refuse application of the arrangements.
7. Where the verification procedure or any other available information appears to indicate that the provisions of this Annexe 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.
8. Where disputes arise in relation to the verification procedures 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 Annexe, they shall be submitted to the Customs Code Committee set up by Council Regulation (EEC) No 2454/93 (as last amended by Regulation (EC) 1662/1999).
9. 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 8

### Penalties

Penalties shall be imposed on any person who draws up, or causes to be drawn up, a document which contains incorrect information to enable products to be accepted as eligible for the arrangements provided for.

## Article 9

### Free zones

1. The OCT and the Member States shall take all necessary steps to ensure that products traded under cover of an Export Certificate EXP 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.

## Article 10

### Annexes

The Annexes to this Annexe shall form an integral part thereof.

## **Annex I to ANNEX IV**

### EXP.1 transshipment certificate

- 1 The EXP.1 transshipment certificate shall be made out on the form of which a specimen appears in this Annex. This form shall be printed in one or more of the languages in which the Decision is drawn up. Certificates shall be made out in one of these languages and in accordance with the provisions of the domestic law of the exporting State if they are hand-written, they shall be completed in ink and in capital letters.
- 2 Each certificate shall measure 210 x 297mm, a tolerance of up to plus 8mm or minus 5mm in the length may be allowed. The paper used must be white, sized for writing, not containing mechanical pulp and weighing not less than 60g/m<sup>2</sup>. It shall have a printed green guilloche pattern background making any falsification by mechanical or chemical means apparent to the eye.
- 3 The competent authorities of the exporting OCT may reserve the right to print the certificates themselves or may have them printed by approved printers. In the latter case each certificate must include a reference to such approval. Each certificate must bear the name and address of the printer or a mark by which the printer can be identified. It shall also bear a serial number, either printed or not, by which it can be identified.

### TRANSHIPMENT CERTIFICATE

. <b>Exporter</b> <i>(name, full address, country)</i>	<b>EXP.1      No A      000.000</b>		
	See notes overleaf before completing this form		
. <b>Consignee</b> <i>(name, full address, country) (Optional)</i>	<b>2. Certificate used in preferential trade between</b>  <b>and</b>  <i>(insert appropriate countries, groups of countries or territories)</i>		
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;"> <b>4. Country, group of countries or territory in which the products are considered as originating</b> </td> <td style="width: 50%; text-align: center;"> <b>5. Country, group of countries or territory of destination</b> </td> </tr> </table>	<b>4. Country, group of countries or territory in which the products are considered as originating</b>	<b>5. Country, group of countries or territory of destination</b>
<b>4. Country, group of countries or territory in which the products are considered as originating</b>	<b>5. Country, group of countries or territory of destination</b>		
. <b>Transport details</b> <i>(Optional)</i>	<b>7. Remarks</b>		
. <b>Item number; Marks and numbers; Number and kind of package <sup>(1)</sup>; Description of goods</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;"> <b>9. Gross mass (kg) or other measure (litres, m<sup>3</sup>, etc.)</b> </td> <td style="width: 50%; text-align: center;"> <b>10. Invoices</b> <i>(Optional)</i> </td> </tr> </table>	<b>9. Gross mass (kg) or other measure (litres, m<sup>3</sup>, etc.)</b>	<b>10. Invoices</b> <i>(Optional)</i>
<b>9. Gross mass (kg) or other measure (litres, m<sup>3</sup>, etc.)</b>	<b>10. Invoices</b> <i>(Optional)</i>		
<b>1. CUSTOMS ENDORSEMENT</b>  Declaration certified Export document <sup>(2)</sup> Form..... No..... Customs office..... Issuing country or territory ..... Date ..... ..... <p style="text-align: center;"><i>(Signature)</i></p>	<p style="text-align: center;">Stamp</p>	<b>12. DECLARATION BY THE EXPORTER</b>  I, the undersigned, declare that the goods described above meet the conditions required for the issue of this certificate.  Place and date.....  ..... <p style="text-align: center;"><i>(Signature)</i></p>	

(1) If goods are not packed, indicate number of articles or state "In bulk" as appropriate  
 (2) Complete only where the regulations of the exporting country or territory require



<p><b>13. Request for verification, to:</b></p>	<p><b>14. Result of verification</b></p>
<p>Verification of the authenticity and accuracy of this certificate is requested</p> <p>.....</p> <p style="text-align: center;"><i>(Place and date)</i></p> <p>..... Stamp</p> <p>.....</p> <p>..... <i>(Signature)</i></p>	<p>Verification carried out shows that this certificate (°)</p> <p><input type="checkbox"/></p> <p>was issued by the customs office indicated and that the information contained therein is accurate.</p> <p>does not meet the requirements as to authenticity and accuracy (remarks appended).</p> <p>.....</p> <p style="text-align: center;"><i>(Place and date)</i></p> <p>..... Stamp</p> <p>.....</p> <p>..... <i>(Signature)</i></p> <p>.....</p> <p>(°) Insert X in the appropriate box.</p>

**NOTES**

1. Certificates must not contain erasures or words written over one another. Any alterations must be made by deleting the incorrect particulars and adding any necessary corrections. Any such alteration must be initialled by the person who completed the certificate and endorsed by the customs authorities of the issuing country or territory.
2. No spaces must be left between the items entered on the certificate and each item must be preceded by an item number. A horizontal line must be drawn immediately below the last item. Any unused space must be struck through in such a manner as to make any later additions impossible.
3. Goods must be described in accordance with commercial practice and with sufficient detail to enable them to be identified.

**APPLICATION FOR A TRANSHIPMENT CERTIFICATE**

. <b>Exporter</b> ( <i>name, full address, country</i> ) ( <i>Optional</i> )	<b>EXP.1          No A          000.000</b>		
	See notes overleaf before completing this form		
	<b>2. Application for a certificate to be used in preferential trade between</b>		<b>and</b>
. <b>Consignee</b> ( <i>name, full address, country</i> ) ( <i>Optional</i> )	( <i>insert appropriate countries or groups of countries or territories</i> )		
	<b>4. Country, group of countries or territory in which the products are considered as originating</b>	<b>5. Country, group of countries or territory of destination</b>	
. <b>Transport details</b> ( <i>Optional</i> )	<b>7. Remarks</b>		
. <b>Item number; Marks and numbers; Number and kind of packages <sup>(*)</sup>; Description of goods</b>	<b>9. Gross mass (kg) or other measure (litres, m<sup>3</sup>, etc.)</b>	<b>10. Invoices</b>  <i>(Optional)</i>	

(1) If goods are not packed, indicate number of articles or state "In bulk" as appropriate

## DECLARATION BY THE EXPORTER

I, the undersigned, exporter of the goods described overleaf,

DECLARE that the goods meet the conditions required for the issue of the attached certificate;

SPECIFY as follows the circumstances which have enabled these goods to meet the above conditions:

.....  
.....  
.....  
.....

SUBMIT the following supporting documents <sup>(1)</sup>:

.....  
.....  
.....  
.....

UNDERTAKE to submit, at the request of the appropriate authorities, any supporting evidence which these authorities may require for the purpose of issuing the attached certificate, and undertake, if required, to agree to any inspection of my accounts and to any check on the processes of manufacture of the above goods, carried out by the said authorities;

REQUEST the issue of the attached certificate for these goods.

.....  
*(Place and date)*  
.....

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<sup>(1)</sup> For example, import documents, movement certificates, manufacturer's declarations, etc. referring to the products used in manufacture or to the goods re-exported in the same state.

*(Signature)*

## ANNEX V

### MOVEMENTS OF HAZARDOUS WASTE AND RADIOACTIVE WASTE

Keenly aware of the specific risks attaching to radioactive waste, the Member States and the relevant authorities of the OCT will refrain from any practice of discharging such waste which would encroach upon the sovereignty of States or threaten the environment or public health in other countries. They attach the greatest importance to developing international cooperation to protect the environment and public health against such risks. They accordingly affirm their determination to play an active part in the work being done in the IAEA to produce an internationally approved code of good practice.

Until such time as a more precise definition is formulated in that framework, the term 'radioactive waste' will be taken to mean any material for which no further use is envisaged and which contains or is contaminated by radionuclides of which the levels of radioactivity or the concentrations exceed the limits which the Community has set itself for protecting its own population in Article 4(a) and (b) of Directive 80/836/Euratom,<sup>24</sup> as last amended by Directive 84/467/Euratom.<sup>25</sup> As regards levels of radioactivity, these limits range from  $5 \times 10^3$  becquerel for nuclides of very high radiotoxicity to  $5 \times 10^6$  becquerel for those of low radiotoxicity. As regards concentrations, these limits are 100 Bq.g-1 and 500 Bq.g-1 for solid natural radioactive substances.

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<sup>24</sup> OJ L 246, 17.9.1980, p. 1.

<sup>25</sup> OJ L 265, 5.10.1984, p. 4.

## ANNEX VI

### EURO-INFO CORRESPONDENCE CENTRES (EICC)

#### Tasks of the EICC

In respect of the OCTs the tasks of the Euro-info Correspondence Centres (EICC) shall be to:

- disseminate Community information to OCT firms,
- gather and transmit to the Euro-info Centres (EIC) information from the OCTs which may be of use to European small and medium-sized enterprises,
- answer general, legal, administrative and statistical questions from OCT firms about the European Union;
- answer general, legal, administrative and statistical questions from Community firms about the OCTs.

To achieve the greatest possible reciprocity in the exchange of information, the Commission shall ensure that Community firms have access to the same type of information and the same advisory/support services in relation to the OCTs as those offered by the Community to OCT firms.

#### Tools and services

The following tools and services shall be made available to or be acquired by the Correspondence Centres for the proper performance of their work:

- (a) documentation: a list of documents selected to form a basic library collection (to be acquired); terms and cost of acquisition;
- (b) a specific software program (to be acquired) for creating and managing dossiers on specific issues and conducting searches on previous dossiers and existing document and databases;
- (c) databases: list of databanks available (for which there is a charge); terms and cost of connection;
- (d) training: teach yourself courses (to be acquired), timetable of training sessions (specific Community matters, working of the EICs), fee-paying training sessions in database use, and annual conference of all EICs and EICCs (for all these activities, travel and accommodation expenses to be borne by the EICC);
- (e) access to information officers of the central administration for replies to requests for information on Community-related matters;
- (f) access to the capitalisation database via the VANS: this EIC-network database contains questions and answers on mainly Community matters.
- (g) electronic mail: the EICCs shall have access to the electronic mail system, in particular the EIC network's own environment.

### Establishment procedures

1. A request for the establishment of a correspondence centre and the choice of host structure should be addressed to the Commission by the competent authorities of the country or territory through the channels provided for in Article [..].
2. An agreement providing for, *inter alia*, sufficient human, material and financial resources shall be concluded between the EICC and the Commission.

### Criteria for selecting the host structure

The following criteria shall be used to select applicant host structures of the EICCs:

- experience of the applicant structure in assisting and advising businesses, a business-oriented attitude to small and medium-sized enterprises,
- representativeness in respect of the business sector in the applicant country or territory,
- knowledge of European issues,
- the will and the ability to ensure reciprocity of services to OCT and Community firms,
- the potential for financial independence,
- willingness to employ as staff for the Centre, people with a good command of English or French and experience of computers,
- provision of computer and communications equipment that complies with the specifications,
- an undertaking to serve all small and medium-sized enterprises equally without discrimination as to status or sector, where appropriate in liaison with other EICs or EICCs on the network.