

**ANNEX IV**

CONCERNING THE DEFINITION OF THE CONCEPT OF  
“ORIGINATING PRODUCTS” AND  
METHODS OF ADMINISTRATIVE CO-OPERATION



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**TITLE I**

**GENERAL PROVISIONS**

Article 1

***Definitions***

For the purposes of this Annex:

- (a) “Chapters”, “headings” and “subheadings” mean the Chapters (two-digit codes), the headings (four-digit codes) and the subheadings (six-digit codes) used in the nomenclature of the Harmonized System;
- (b) “classified” refers to the classification of a product or material under a particular heading;
- (c) “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;
- (d) “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);
- (e) “ex-works price” means the price paid for the product ex-works to the manufacturer in a Party where 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;
- (f) “goods” means both materials and products;
- (g) “originating goods” means goods that qualify as originating in accordance with this Annex;
- (h) “Harmonized System” means the Harmonized Commodity Description and Coding System, including its general rules and legal notes;
- (i) “manufacture” means any kind of working or processing, including assembly or specific operations;
- (j) “material” means any ingredient, raw material, component or part, etc., used in the manufacture of a product;

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- (k) “non-originating materials” means materials that do not qualify as originating in accordance with this Annex;
- (l) “Party” means Iceland, Norway, Switzerland or the countries parties to the Charter of the Co-operation Council for the Arab States of the Gulf (hereinafter referred to as the GCC Member States). Due to the customs union between the GCC Member States, products originating in a GCC Member State are considered as having GCC origin. Due to the customs union between Switzerland and Liechtenstein, products originating in Liechtenstein are considered as originating in Switzerland;
- (m) “product” means the product being manufactured, even if it is intended for later use as a material in another manufacturing operation;
- (n) “territories” includes territorial sea;
- (o) “value of non-originating 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 a Party.

### TITLE II

#### DEFINITION OF THE CONCEPT OF “ORIGINATING PRODUCTS”

##### Article 2

##### *Origin Criteria*

For the purposes of this Agreement, products imported by a Party shall be deemed to be originating and eligible for preferential tariff treatment if they conform to the origin requirements under any one of the following:

- (a) products which are wholly obtained as set out and defined in Article 4; or
- (b) products not wholly obtained provided that the said products have undergone sufficient working or processing as laid down in Article 5 or Article 3.

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## Article 3

### ***Accumulation of Origin***

1. Notwithstanding Article 2, materials originating in another Party within the meaning of this Annex shall be considered as materials originating in the Party concerned when incorporated into products obtained there, provided that they have undergone working or processing going beyond that referred to in Article 6.
2. Products originating in another Party within the meaning of this Annex, which are exported from one Party to another, shall retain their origin when exported in the same state or without having undergone in the exporting Party working or processing going beyond that referred to in Article 6.
3. For the purposes of paragraph 2, where materials originating in two or more of the Parties are used and those materials have undergone working or processing in the exporting Party not going beyond that referred to in Article 6, the origin is determined by the material with the highest customs value or, if this is not known and cannot be ascertained, with the highest first ascertainable price paid for that material in that Party.

## Article 4

### ***Wholly Obtained Products***

For the purposes of Article 2(a), the following shall be considered as wholly obtained in a Party:

- (a) mineral products extracted from their soil, seabed or beneath their seabed;
- (b) vegetable products harvested there;
- (c) live animals born and raised there, including by aquaculture;
- (d) products from live animals raised there;
- (e) products obtained by hunting, trapping or fishing conducted there;
- (f) products of sea fishing and other products taken from the sea outside the territorial sea of a country by a vessel flying the flag of a Party;
- (g) products manufactured on board a factory ship flying the flag of a Party, exclusively from products referred to in sub paragraph (f);
- (h) products extracted from the seabed or beneath the seabed outside their territorial sea, provided that they have sole rights to exploit such seabed;

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- (i) articles collected there which can no longer perform their original purpose and are fit only for disposal or recovery of parts or raw materials, including used tyres fit only for retreading;
- (j) waste and scrap obtained from consumption or manufacturing operations there; and
- (k) products manufactured or obtained there exclusively from products specified in sub-paragraphs (a) to (j).

### Article 5

#### ***Sufficiently Worked or Processed Products***

1. For the purposes of Article 2(b), products which are not wholly obtained are considered to be sufficiently worked or processed when the conditions set out in Appendix 2 are fulfilled.

The conditions referred to above indicate the working or processing which shall 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, regardless of whether this product has been manufactured in the same factory or in another factory in a Party, by fulfilling the conditions set out in Appendix 2, is used as material in the manufacture of another product, the conditions applicable to such other product do not apply to the product that is used as material, and therefore no account shall be taken of any non-originating materials incorporated into such a product used as a material in the manufacture of another product.

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

- (a) their total value does not exceed 10 per cent of the ex-works price of the product; and
- (b) any of the percentages given in Appendix 2 for the maximum value of non-originating materials are not exceeded through the application of this paragraph.

3. For the purpose of fulfilling the conditions set out in Appendix 2, the processes may be carried out by one or more producers within one Party. Supporting documents proving the working or processing shall be maintained by the exporter or the producer of the final product.

4. Paragraphs 1 to 3 shall apply except as provided for in Article 6.

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## Article 6

### ***Insufficient Working or Processing Operations***

1. The following operations shall be considered as insufficient working or processing to confer the status of originating products, whether or not they satisfy the requirements of this Annex:

- (a) preserving operations to ensure that the products remain in good condition during transport and storage;
- (b) breaking-up and assembly of packages;
- (c) washing, cleaning, removal of dust, oxide, oil, paint or other coverings;
- (d) ironing or pressing of textiles;
- (e) simple<sup>1</sup> painting and polishing operations;
- (f) husking, partial or total bleaching, polishing, and glazing of cereals and rice;
- (g) operations to colour sugar or form sugar lumps;
- (h) peeling, stoning and shelling, of fruits, nuts and vegetables;
- (i) sharpening, simple<sup>1</sup> grinding or simple<sup>1</sup> cutting;
- (j) sifting, screening, sorting, classifying, grading, matching (including the making-up of sets of articles);
- (k) simple<sup>1</sup> placing in bottles, cans, flasks, bags, cases, boxes, fixing on cards or boards and all other simple packaging operations;
- (l) affixing or printing marks, labels, logos and other like distinguishing signs on products or their packaging;
- (m) simple mixing<sup>2</sup> of products, whether or not of different kinds;

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<sup>1</sup> “simple”, generally describes activities which need neither special skills nor machines, apparatus or equipment especially produced or installed for carrying out the activity.

<sup>2</sup> “simple mixing”, generally describes activities which need neither special skills nor machines, apparatus or equipment especially produced or installed for carrying out the activity. However, simple mixing does not include chemical reaction. Chemical reaction means a process (including a biochemical process) which results in a molecule with a new structure by breaking intramolecular bonds and by forming new intramolecular bonds, or by altering the spatial arrangement of atoms in a molecule.



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- (n) simple<sup>3</sup> assembly of parts of articles to constitute a complete article or disassembly of products into parts;
- (o) slaughter of animals; or
- (p) a combination of two or more operations specified in sub-paragraphs (a) to (o).

2. All operations carried out within a Party 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 7

#### *Unit of Qualification*

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

Accordingly, it follows that:

- (a) when a product composed of a group or assembly of articles is classified under 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, each product shall be taken individually into account when applying the provisions of this Annex.

2. Where, under General Interpretative Rule 5 of the Harmonized 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.

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### Article 9

#### *Sets*

Sets, as defined in General Interpretative Rule 3 of the Harmonized System, shall be regarded as originating when all component products are originating. However, 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, tools; and
- (d) other goods which do not enter into and which are not intended to enter into the final composition of the product.

### Article 11

#### *Accounting Segregation of Materials*

1. Where identical and interchangeable originating and non-originating materials are used in the manufacture of a product, those materials shall be physically segregated, according to their origin, during storage.

“Identical and interchangeable materials” means materials being of the same kind and commercial quality, possessing the same technical and physical characteristics, and which once they are incorporated into the finished product cannot be distinguished from one another for origin purposes.

2. A producer facing considerable costs or material difficulties in keeping separate stocks of identical and interchangeable originating and non-originating materials used in the manufacture of a product may use the so-called “accounting segregation” method for managing stocks.

3. The accounting segregation method shall be recorded, applied and maintained in accordance with generally accepted accounting principles applicable in the Party in which the product is manufactured. The method chosen must:

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- (a) permit a clear distinction to be made between originating and non-originating materials acquired and/or kept in stock, and
- (b) guarantee that no more products receive originating status than would be the case if the materials had been physically segregated.

4. The producer using this facilitation shall only complete proofs of origin for the quantity of products considered as originating and shall assume full responsibility for the proof of origins and for keeping all documentary evidence of origin of the materials. At the request of the customs authorities of the respective Party, the producer shall provide satisfactory information on how the stocks have been managed.

5. A Party may require that the application of the method for managing stocks as provided for in this Article is subject to prior authorization.

### TITLE III

### TERRITORIAL REQUIREMENTS

#### Article 12

#### *Principle of Territoriality*

1. Except as provided for in Article 3 and paragraph 3 of this Article, the conditions for acquiring originating status set out in Title II must be fulfilled without interruption in a Party.
2. Except as provided for in Article 3, where originating goods exported from a Party to a non-party country return, they must be considered as non-originating, unless it can be demonstrated to the satisfaction of the customs authorities concerned that:
  - (a) the returning goods are the same as those exported; and
  - (b) they have not undergone any operation beyond that necessary to preserve them in good condition while in that non-party or while being exported.
3. The acquisition of originating status in accordance with the conditions set out in Title II shall not be affected by working or processing carried out outside a Party on materials exported from a Party and subsequently reimported there, provided:
  - (a) the said materials are wholly obtained in a Party or have undergone working or processing there going beyond the operations referred to in Article 6 prior to being exported; and

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- (b) it can be demonstrated to the satisfaction of the customs authorities concerned that:
- (i) the reimported goods have been obtained by working or processing the exported materials; and
  - (ii) the total added value acquired outside the Party concerned by applying the provisions of this Article does not exceed 10 per cent of the ex-works price of the end product for which originating status is claimed.

4. For the purposes of paragraph 3, the conditions for acquiring originating status set out in Title II shall not apply to working or processing done outside a Party. However where, in the list in Appendix 2, a rule setting a maximum value for all the non-originating materials incorporated is applied in determining the originating status of the end product, the total value of the non-originating materials incorporated in the territory of the Party concerned, taken together with the total added value acquired outside that Party by applying the provisions of this Article, shall not exceed the stated percentage.

5. For the purpose of applying the provisions of paragraphs 3 and 4, “total added value” means all costs arising outside the Party concerned, including the value of the materials incorporated there.

6. The provisions of paragraphs 3 and 4 shall not apply to products which do not fulfil the conditions set out in the list in Appendix 2 or which can be considered sufficiently worked or processed only if the general tolerance specified in paragraph 2 of Article 5 is applied.

7. The provisions of paragraphs 3 and 4 shall not apply to products of Chapters 50 to 63 of the Harmonized System.

8. Any working or processing of the kind covered by the provisions of this Article and carried out outside a Party shall be done under an outward processing arrangement, or similar arrangement.

### Article 13

#### *Direct Transport*

1. The preferential treatment provided for under this Agreement applies only to products, satisfying the requirements of this Annex, which are transported directly between the Parties. However, products may be transported through territories of non-parties, provided that they do not undergo operations other than unloading, reloading, splitting-up of consignments or any operation designed to preserve them in good condition. During this period the products shall remain under customs control in the country of transit.

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2. The importer shall upon request supply appropriate evidence to the customs authorities of the importing Party that the conditions set out in paragraph 1 have been fulfilled.
3. For the purpose of application of paragraph 1, originating products may be transported by pipeline across territories of non-parties.

### Article 14

#### *Exhibitions*

1. Products sent from an exporting Party for exhibition in a non-party and sold during or after the exhibition into a Party shall benefit from preferential tariff treatment of this Agreement on the condition that the products meet the requirements of the rules of origin of this Agreement and provided it is shown to the satisfaction of the relevant competent authorities of the importing Party that:
  - (a) an exporter has dispatched those products from the territory of the exporting Party to the country where the exhibition is held and has exhibited them there;
  - (b) the exporter has sold the goods or transferred them to a consignee in the importing Party; and
  - (c) the products have been consigned during the exhibition or immediately thereafter to the importing Party in the state in which they were sent for exhibition.
2. For purposes of implementing the provisions of paragraph 1, the proof of origin must be presented to the relevant competent authorities of the importing Party. The name and address of the exhibition must be indicated, a certificate issued by the relevant competent authorities of the Party where the exhibition took place together with supporting documents prescribed in paragraph (d) of Article 26 may be required.
3. Paragraph 1 shall apply to any trade, agricultural or crafts exhibition, fair or similar show or display in shops or business premises with the view to the sale of foreign products and where the products remain under customs control during the exhibition.

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## TITLE IV

### DRAWBACK OR EXEMPTION

#### Article 15

##### *Prohibition of Drawback of, or Exemption from, Customs Duties*

1. Non-originating materials used in the manufacture of products originating in a Party for which a proof of origin is issued or made out in accordance with the provisions of Title V shall not be subject, in a Party, to drawback of, or exemption from, customs duties of whatever kind.
2. Paragraph 1 shall apply to any arrangement for refund, remission or non-payment, partial or complete, of customs duties or charges having an equivalent effect, applicable in a Party, to materials used in manufacture, where such refund, remission or non-payment applies, expressly or in effect, when products obtained from the said materials are exported and not when they are retained for home use.
3. The exporter of products covered by a proof of origin shall be prepared to submit at any time, upon request from the customs authorities, all appropriate documents proving that no drawback has been obtained in respect of the non-originating materials used in the manufacture of the products concerned and that all customs duties or charges having equivalent effect applicable to such materials have actually been paid.
4. The provisions of paragraphs 1 to 3 shall also apply in respect of packaging within the meaning of paragraph 2 of Article 7, accessories, spare parts and tools within the meaning of Article 8 and products in a set within the meaning of Article 9 when such items are non-originating.
5. The provisions of paragraphs 1 to 4 shall apply only in respect of materials, which are of the kind to which this Agreement applies. Furthermore, they shall not preclude the application of an export refund system for agricultural products, applicable upon export in accordance with the provisions of this Agreement.
6. This Article is not applicable as long as non-originating materials imported for processing are duty free, whether the final product is re-exported or not.

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## TITLE V

### PROOF OF ORIGIN

#### Article 16

##### *General Requirements*

1. Products originating in a Party shall, on importation into another Party, benefit from the preferential treatment under this Agreement upon submission of one of the following proofs of origin:

- (a) a movement certificate EUR.1, a specimen of which appears in Appendix 3; or
- (b) in the cases specified in paragraph 1 of Article 21, a declaration, subsequently referred to as the "origin declaration", 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. The text of the origin declaration appears in paragraph 3 of Article 21.

2. Notwithstanding paragraph 1, originating products within the meaning of this Annex shall, in the cases specified in Article 25, on importation benefit from the preferential treatment under this Agreement without it being necessary to submit any of the documents referred in paragraph 1.

3. The provisions of sub-paragraph 1 (b) shall be suspended until GCC applies the "origin declaration" to products originating in any third State. If such application has not been introduced two years after the entry into force of this Agreement, the matter shall be reviewed by the Joint Committee with a view to applying sub-paragraph 1 (b) as soon as possible. In case the Joint Committee does not agree on a time frame for the application, the Parties shall meet every year in order to review the situation.

#### Article 17

##### *Procedure for the Issuance of a Movement Certificate EUR.1*

1. A movement certificate EUR.1 shall be issued by the competent authorities of the exporting Party following application in writing by the exporter or, under the exporter's responsibility, by his authorised representative.

2. For this purpose, the exporter or his authorised representative shall fill out both the movement certificate EUR.1 and the application form, a specimen of which appears in Appendix 3.

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

4. A movement certificate EUR.1 shall be issued by the competent authorities of the exporting Party if the products concerned can be considered as products originating in an EFTA State or in GCC and fulfil the other requirements of this Annex.

5. The issuing competent authorities shall take any steps necessary to verify the originating status of the products and the fulfilment of the other requirements of this Annex. For this purpose, they shall have the right to call for any evidence and to carry out any inspection of the exporter's accounts or any other check considered appropriate. The issuing competent 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 every 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 competent authorities of the exporting Party and made available to the exporter as soon as actual exportation has been effected or ensured.

### Article 18

#### ***Movement Certificates EUR.1 Issued Retrospectively***

1. Notwithstanding paragraph 7 of Article 17, 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 competent 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 shall indicate in the application the place and date of exportation of the products to which the movement certificate EUR.1 relates, and state the reasons for the request.

3. The competent 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.



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4. A movement certificate EUR.1 issued retrospectively must be endorsed with the following phrase in the “Remarks” box 7: “ISSUED RETROSPECTIVELY”.

### Article 19

#### ***Issuance of a Duplicate Movement Certificate EUR.1***

1. In the event of theft, loss or destruction of a movement certificate EUR.1, the exporter by stating the reason for the request may apply to the competent authorities which issued it for a duplicate to be completed on the basis of the export documents in their possession.
2. The duplicate issued in this way shall be endorsed with the following words: “DUPLICATE”.
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 shall bear the date of issue of the original movement certificate EUR.1, shall take effect as from that date.

### Article 20

#### ***Issuance of Movement Certificates EUR.1 on the Basis of a Proof of Origin Previously Issued or Completed***

When originating products are placed under the control of a customs office in a Party, 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 to another Party or elsewhere within the importing Party concerned. The replacement movement certificate EUR.1 shall be issued, in accordance with the law of the importing Party, by the customs office under whose control the products are placed.

### Article 21

#### ***Conditions for Completing an Origin Declaration***

1. An origin declaration referred to in paragraph 1(b) of Article 16 may be completed:
  - (a) by an approved exporter within the meaning of Article 22; or
  - (b) by any exporter for any consignment consisting of one or more packages containing originating products the total value of which does not exceed 6000 Euro.

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Where the goods are invoiced in a currency other than Euro, the amount equivalent to the amount expressed in the national currency of the importing Party shall be applied in accordance with the domestic legislation of that Party.

2. An origin declaration may be completed if the products concerned can be considered as products originating in a Party and fulfil the other requirements of this Annex.

3. The origin declaration referred to in paragraph 1, shall have the following wording:

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

(3)

.....  
(Place and date)

(4)

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

4. An origin declaration shall be completed in English, in a legible and permanent form and, except as provided in Article 22, bear the original signature of the exporter.

5. An origin declaration may be completed by the exporter at the time of exportation, or after exportation.

6. When completing an origin declaration, an exporter that relies on documents and information from a producer shall take steps to ensure that the documents and information are accurate.

7. An exporter that has completed an origin declaration and that becomes aware that the origin declaration contains incorrect information shall immediately notify the importer in writing of any change affecting the originating status of each product to which the origin declaration is applicable.

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(1) When the origin declaration is completed by an approved exporter within the meaning of Article 22, the authorization number of the approved exporter must be entered in this space. When the origin declaration is not completed by an approved exporter, the words in brackets shall be omitted or the space left blank.

(2) Origin of products to be indicated (Icelandic, Norwegian, Swiss or GCC). The use of ISO-Alpha-2 codes is permitted (IS, NO, CH or GCC). Reference may be made to a specific column of the invoice in which the country of origin of each product is entered.

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

(4) Approved exporters may not be required to sign. The exemption of signature also implies the exemption of the name of the signatory.

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8. An exporter that has completed an origin declaration shall, on request of the customs authority of the exporting Party, provide to the authority concerned a copy of the origin declaration, and of all documents supporting the originating status of each product to which the origin declaration is applicable. For this purpose the said customs authorities shall have the right to carry out inspections of the exporters accounts or any other controls considered appropriate.

9. For the purposes of this Article, the term “exporter” does not include a forwarding agent, customs broker or the like, unless such a company has been authorized in writing by the owner of the product to complete the origin declaration.

### Article 22

#### ***Approved Exporter***

1. Where a Party has established an approved exporter programme, the competent authority may authorize an exporter of that Party that makes frequent shipments of originating products under this Agreement to complete an origin declaration without signature, on condition that he gives the customs authority of the exporting Party a written undertaking that he accepts full responsibility for any origin declaration which identifies him as if it had been signed in manuscript by him.

2. The competent authority of the exporting Party shall provide to the approved exporter referred to in paragraph 1 a customs authorization number or other form of identification as may be agreed by the customs authorities of the Parties for use on the origin declaration instead of the signature of the exporter.

3. The competent authority of the exporting Party may verify the proper use of an authorization as referred to in paragraph 1 and may at any time withdraw the authorization if the exporter no longer meets the conditions or otherwise makes improper use of the authorization.

### Article 23

#### ***Importation Requirements***

1. Each Party shall grant preferential tariff treatment in accordance with this Agreement to originating products imported from another Party, on the basis of a proof of origin as referred to in Article 16.

2. In order to obtain preferential tariff treatment, the importer shall, in accordance with the procedures applicable in the importing Party request preferential tariff treatment at the time of importation of an originating product, whether or not he has a proof of origin.

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In the case that the importer at the time of importation does not have in his possession a proof of origin, the importer of the product may, in accordance with the domestic legislation of the importing Party, present the original proof of origin and if required such other documentation relating to the importation of the product, at a later stage.

3. Notwithstanding paragraph 1, originating products within the meaning of this Annex shall, in the cases specified in Article 25, on importation benefit from the preferential tariff treatment under this Agreement without it being necessary to submit a document as referred in paragraph 1.

4. A proof of origin shall be valid for 12 months from the date of issuance in the exporting Party, and shall be submitted within such period to the customs authority of the importing Party.

5. A proof of origin which is submitted to the customs authority of the importing Party after the final date for presentation specified in paragraph 4 may be accepted for the purpose of applying for preferential tariff treatment where the failure to submit such a document by the final date set is due to exceptional circumstances. In other cases of belated presentation, the customs authority of the importing Party may accept a proof of origin where the products have been submitted before such final date.

6. A proof of origin shall be submitted to the customs authority of the importing Party in accordance with the procedures applicable in that Party. Such authority may require a translation of the document on which the proof of origin is made out 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 of this Annex.

### 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 Party, dismantled or non-assembled products within the meaning of General Rule 2(a) of the Harmonized System falling within Sections XVI and XVII or headings 73.08 and 94.06 of the Harmonized 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

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Annex and where there is no doubt as to the veracity of such a proof. In the case of products sent by post, this declaration can be made on a postal customs declaration (CN22/CN23 or C2/CP3) 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 intended.

3. In case of small packages sent from private persons to private persons the total value of these products shall not exceed 500 Euro.

4. In case of products forming part of travellers' personal luggage the total value of these products shall not exceed 1200 Euro.

5. Where the value of the products is invoiced or declared in a currency other than those mentioned in paragraphs 3 and 4 the amount equivalent to the amount expressed in the national currency of the importing Party shall be applied.

### Article 26

#### ***Supporting Documents***

The documents referred to in paragraph 3 of Article 17 and paragraph 8 of Article 21 used for the purpose of proving that products covered by a proof of origin can be considered as products originating in a Party and fulfil the other requirements of this Annex may consist of *inter alia* the following:

- (a) direct evidence of the processes carried out by the exporter or supplier to obtain the goods concerned, contained for example in his accounts or internal bookkeeping;
- (b) documents proving the originating status of materials used, issued or completed in a Party where these documents are used, as provided for in their domestic law;
- (c) documents proving the working or processing of materials in a Party, issued or completed in a Party where these documents are used, as provided for in their domestic law;
- (d) movement certificates EUR.1 or origin declarations proving the originating status of materials used, completed in a Party; or
- (e) appropriate evidence concerning working or processing undergone outside the territories of the Parties by application of Article 12, proving that the requirements of that Article have been satisfied.

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## Article 27

### ***Preservation of Proofs of Origin and Supporting Documents***

1. The exporter applying for the issuance of a movement certificate EUR.1 shall keep for at least three years the documents referred to in paragraph 3 of Article 17.
2. The competent authorities of the exporting Party issuing a movement certificate EUR.1 shall keep for at least three years the application form referred to in paragraph 2 of Article 17.
3. The customs authorities of the importing Party shall keep for at least three years the movement certificates EUR.1 and the origin declarations submitted to them.
4. The exporter completing a proof of origin shall keep for at least three years a copy of this proof of origin and all documents, referred to in paragraph 3 of Article 17 and paragraph 8 of Article 21 supporting the originating status of each product to which the origin declaration is applicable.

## Article 28

### ***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 such document does correspond to the products submitted.
2. Obvious formal errors such as typing errors in 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.

## **TITLE VI**

### **ARRANGEMENTS FOR ADMINISTRATIVE CO-OPERATION**

## Article 29

### ***Notifications***

The competent authorities of the Parties shall provide each other, through the EFTA Secretariat and the GCC Secretariat, with specimen impressions of stamps used

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for the issuance of movement certificates EUR.1, with information on the composition of the authorisation number for approved exporters, with a specimen of an original movement certificate EUR.1 and with the name and addresses of the competent authorities responsible for the issuance of movement certificates EUR.1 and origin declarations and for verifications. Any changes shall be notified by the Parties well in advance.

### Article 30

#### *Verification of Proofs of Origin*

1. In order to ensure the proper application of this Annex, the Parties shall assist each other, through their respective competent authorities, to verify the authenticity of the proofs of origin and the correctness of the information given in these documents.
2. Subsequent verifications of proofs of origin shall be carried out whenever the customs authority of the importing Party requests to verify the authenticity of such documents, the originating status of the products concerned or the fulfilment of the other requirements of this Annex.
3. For the purpose of implementing the provisions of paragraph 1, the customs authority of the importing Party shall return the proof of origin, or a copy of this document, to the competent authority of the exporting Party, as the case may be, giving the reasons for the inquiry. Any documents and information obtained suggesting that the information given on the proof of origin is incorrect shall be forwarded in support of the request for verification.
4. The verification shall be carried out by the competent authority of the exporting Party. For this purpose, it shall have the right to request any evidence and to carry out any inspection of the exporter's accounts or any other control considered appropriate.
5. The customs authority of the importing Party may decide to suspend the granting of preferential tariff treatment to the products covered by the proof of origin concerned while awaiting the results of the verification. The release of the products shall be offered to the importer subject to any precautionary measures judged necessary.
6. The customs authority requesting the verification shall be informed of the results of this verification as soon as possible. These results shall indicate clearly whether the documents are authentic and whether the products concerned can be considered as products originating in a Party and fulfil the other requirements of this Annex.
7. If there is no reply within 12 months of the date of the verification request or if the reply does not contain sufficient information to be able to determine the authenticity of the document in question or the originating status of the products, the requesting customs authorities shall be entitled to refuse to grant preferential tariff treatment.

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### Article 31

#### ***Dispute Settlement***

1. Disputes between the Parties arising in relation to the verification procedures pursuant to Article 30, which cannot be settled between the competent authorities of the Parties, or which raise a question as to the interpretation of this Annex, shall be referred to the Sub-Committee on Customs and Origin Matters.
2. In all cases the settlement of disputes between the importer and the competent authorities of the importing Party shall be conducted under the legislation of the said Party.

### Article 32

#### ***Confidentiality***

All information related to the application of this Annex communicated between the Parties shall be treated as confidential. It shall not be disclosed by the Parties' authorities without the express permission of the person or authority providing it.

### Article 33

#### ***Penalties***

In accordance with national legislation, each Party shall provide for penalties to 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 preferential tariff treatment.

### Article 34

#### ***Free zones***

1. The Parties shall take all necessary steps to ensure that products traded under cover of a proof of origin 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 products originating in a Party enter a free zone under cover of a proof of origin and undergo treatment or processing, the authorities concerned shall issue a new proof of origin at the exporter's request, if the treatment or processing undergone is in conformity with the provisions of this Annex.



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3. Products manufactured in a free zone situated within the territory of a Party, shall be considered as products originating in this Party and eligible for the preferential treatment under this Agreement, when exported to the other Party, provided that:

- (a) the treatment or processing undergone in the free zone is in conformity with the provisions of this Annex; and
- (b) the exporter applying for the issuance of a movement certificate EUR.1 or completing an origin declaration shall submit at any time, at the request of the competent authorities of the exporting Party, all appropriate documents proving the originating status of the products concerned as well as the fulfilment of the other requirements of this Annex.

### TITLE VII

#### FINAL PROVISIONS

##### Article 35

##### *Sub-Committee on Customs and Origin Matters*

1. A Sub-Committee on Customs and Origin Matters is hereby established.
2. The functions of the Sub-Committee shall be to exchange information and review the rules of origin in light of changed circumstances, such as technological advances, changes in market conditions or other international developments. Furthermore, the Sub-Committee shall prepare and co-ordinate positions, prepare amendments to the rules of origin and assist the Joint Committee regarding:
  - (a) general rules of origin and administrative co-operation as set out in this Annex;
  - (b) product-specific rules of origin set out in Appendix 2 to this Annex;
  - (c) other matters referred to the Sub-Committee by the Joint Committee.
3. The Sub-Committee shall endeavour to resolve as soon as possible any dispute arising in relation to the verification procedures, as referred to in Article 31 of this Annex.
4. The Sub-Committee shall report to the Joint Committee. The Sub-Committee may make recommendations to the Joint Committee on matters related to its functions.

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5. The Sub-Committee shall act by consensus. It shall be chaired jointly by one of the EFTA States and one of the GCC Member States.
6. The Sub-Committee shall meet as often as required. It may be convened by the Joint Committee, or upon request of any Party. The venue shall alternate between the GCC Member States and the EFTA States.
7. A provisional agenda for each meeting shall be prepared by the chairperson in consultation with all Parties, and forwarded to the Parties, as a general rule, not later than two weeks before the meeting.

### Article 36

#### ***Goods in Transit or Storage***

1. The provisions of this Agreement may be applied to goods which comply with the provisions of this Annex and which on the date of entry into force of this Agreement are either in transit or are in a Party in temporary storage in bonded warehouse under customs control or in free zones.
2. However, a proof of origin completed retrospectively by the exporter concerned after the date of entry into the force of this Agreement together with documents showing that the goods have been transported directly, must be submitted to the customs authority of the importing Party within 4 months of that date.

