II

(Acts whose publication is not obligatory)

COUNCIL

COUNCIL DECISION

of 29 June 1976

on the association of the overseas countries and territories with the European Economic Community

(76/568/EEC)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 136 thereof,

Having regard to the Internal Agreement on the financing and administration of Community aid signed in Brussels on 11 July 1975,

Having regard to the recommendation from the Commission,

Having regard to the opinion of the European Parliament [1],

Whereas the provisions applicable to the association of the overseas countries and territories (hereinafter called 'the countries and territories') with the European Economic Community must be laid down for a further period;

Whereas these provisions form part of the European Economic Community's efforts to establish, in particular by means of the ACP-EEC Convention of Lomé (hereinafter called 'the Convention') signed on 28 February 1975, a new model for relations between developed and developing regions, compatible with the aspirations of the international community towards a more just and more balanced economic order;

Whereas the development needs of the countries and territories and the needs related to the promotion of their industrial development justify the maintenance of the possibility of levying customs duties and imposing quantitative restrictions;

Whereas special provisions in respect of rum, arrack and tafia falling within subheading 22.09 C I of the Common Customs Tariff are laid down in Decision 76/198/EEC [1];

Whereas Article 89 of the Convention provides for the possibility of accession to the Convention by a country or territory referred to in the fourth part of the Treaty which becomes independent; whereas it is therefore necessary to make provision for possible adaptation of this Decision;

Whereas until 25 November 1975 Surinam was part of the Kingdom of the Netherlands; whereas it became independent on that date; whereas it was therefore unable to participate in the Convention; whereas for that reason the arrangements adopted for the associated countries and territories pursuant to the Decision of 1970 were kept in force in respect of Surinam; whereas therefore, in accordance with its wishes, the arrangements applicable to the countries and territories should continue to apply provisionally to Surinam until it is able to accede to the Convention;

Whereas Article 1 of the Internal Financial Agreement provides that where a country or territory which has become independent accedes to the Convention

(1) OJ No C 257, 10. 11. 1975, p. 27.

(2) OJ No L 37, 12. 2. 1976, p. 24.

the financial aid allocated to the countries and territories from European Development Fund resources shall, by decision of the Council, be reduced and the amounts allocated to the ACP States correspondingly increased; whereas it is necessary, both to facilitate future application of this provision, in respect of Surinam in particular, and to ensure that financial aid is distributed as fairly as possible, to lay down the allocation of aid among the countries and territories and the overseas departments for which the French Republic has responsibility, the countries and territories for which the United Kingdom has responsibility, and Surinam and the Netherlands Antilles; whereas extension of the European Agricultural Guidance and Guarantee Fund to the French overseas departments necessitates certain adjustments to the distribution of financial aid among these three sectors;

Whereas provision should be made for financial aid for the least-favoured overseas countries and territories, irrespective of the zones within which they fall; whereas the zone from which the amount necessary for this aid is taken must benefit from corresponding compensation; whereas a decision to this effect was taken by the Council on 29 June 1976 [1],

HAS DECIDED AS FOLLOWS:

Article 1

The aim of this Decision is to facilitate the economic and social development and to strengthen the economic structures of the countries and territories listed in Annex I, in particular by developing trade, economic relations and industrial cooperation between the Community and the countries and territories, by helping to safeguard the interests of those among them whose economies depend to a considerable extent on the export of commodities, and by affording financial aid and technical cooperation.

TITLE I

TRADE COOPERATION

Chapter 1

Trade arrangements

Article 2

1. Subject to paragraph 2, products originating in the countries and territories shall be imported into the Community free of customs duties and charges having equivalent effect, but the treatment applied to these products may not be more favourable than that applied by the Member States among themselves. For the purposes of the first subparagraph the customs duties and charges having equivalent effect applied pursuant to Articles 32, 36 and 59 of the Act of Accession shall not be taken into account.

2. (a) Products originating in the countries and territories:

— listed in Annex II to the Treaty when they come under a common organization of the market within the meaning of Article 40 of the Treaty, or

— subject, on importation into the Community, to specific rules introduced as a result of the implementation of the common agricultural policy;

shall be imported into the Community notwithstanding the general arrangements applied in respect of third countries, in accordance with the following provisions:

(i) those products shall be imported free of customs duties for which Community provisions in force at the time of importation do not provide, apart from customs duties, for the application of any other measure relating to their importation;

(ii) for products other than those referred to under (i) the Community shall take the necessary measures to ensure, as a general rule, more favourable treatment than the general treatment applicable to the same products originating in third countries to which the most-favoured-nation clause applies.

(b) These arrangements shall enter into force at the same time as this Decision and shall remain applicable for its duration.

If, however, during the application of this Decision, the Community,

— subjects one or more products to common organization of the market or to specific rules introduced as a result of the implementation of the common agricultural policy, it reserves the right to adapt the import treatment for these products originating in the countries and territories. In such cases, paragraph 2 (a) shall be applicable;

— modifies the common organization of the market in a particular product or the specific rules introduced as a result of the implementation of the common agricultural policy, it reserves the right to

[1] See page 98 of this Official Journal.

modify the arrangements laid down for products originating in the countries and territories. In such cases, the Community shall ensure that products originating in the countries and territories continue to enjoy an advantage comparable to that previously enjoyed in relation to products originating in third countries benefiting from the most-favoured-nation clause.

(c) If, during the period of application of this Decision, the relevant authorities of the countries and territories consider that the application of such arrangements to agricultural products referred to in subparagraph (a), other than those covered by special rules, is warranted, the Commission shall, where appropriate, submit a proposal to the Council.

Article 3

1. The Community shall not apply to imports of products originating in the countries and territories any quantitative restrictions or measures having equivalent effect other than those which the Member States apply among themselves.

2. Paragraph 1, however, shall not prejudice the import treatment applied to the products referred to in the first indent of Article 2 (2) (a).

Article 4

This Decision shall not prejudice the treatment that the Community applies to certain products in implementation of world commodity agreements to which the Community is a signatory.

Article 5

The relevant authorities of a country or territory may retain or introduce, in respect of imports of products originating in the Community or in other countries or territories, such customs duties or quantitative restrictions as they consider necessary, in view of their development needs.

Article 6

Articles 3 and 5 shall not preclude prohibitions or restrictions on imports, exports or goods in transit justified on grounds of public morality, public policy or public security; the protection of health and life of humans, animals and plants; the protection of national treasures possessing artistic, historic or archeological value or the protection of industrial and commercial property.

Such prohibitions or restrictions shall not, however, constitute a means of arbitrary discrimination or a disguised restriction on trade.

Article 7

1. The trade arrangements applied to the Community by the countries and territories shall not give rise to any discrimination between Member States nor be less favourable than the most-favoured-nation treatment.

2. Paragraph 1 shall not preclude a country or territory from granting certain other countries or territories or other developing countries more favourable treatment than that accorded to the Community.

Article 8

1. France, the Netherlands and the United Kingdom shall communicate to the Commission, within a period of three months following the entry into force of this Decision, the customs tariffs of the countries and territories with which they have special relations.

Any customs duties and charges having equivalent effect which are still applicable to products originating in the Community and in the other countries and territories shall be specified in this communication.

The Member States concerned shall also communicate to the Commission any subsequent modifications of the customs tariffs of the countries and territories as and when they are made.

2. The Commission shall communicate to the Member States the customs tariffs of the countries and territories, and any subsequent amendments thereto, and, where appropriate, shall inform the Council of its observations on them.

3. At the request of a Member State or of the Commission, consultations shall be held within the Council on these tariffs or amendments thereto.

Article 9

1. France, the Netherlands and the United Kingdom shall communicate to the Commission, within a period of three months following the entry into force of this Decision, the lists of quantitative restrictions and measures having equivalent effect retained by the countries and territories with which they have special relations.

The Member States concerned shall also communicate to the Commission any subsequent modification of such measures.

2. The Commission shall communicate to the Member States the lists referred to in paragraph 1 and any subsequent amendments thereto and where appropriate, shall inform the Council of its observations on them.

3. At the request of a Member State or of the Commission, consultations shall be held within the Council on the quantitative restrictions and measures having equivalent effect applied by the countries and territories.

Article 10

1. For the purposes of implementing this Chapter the concept of originating products and the methods of administrative cooperation relating thereto are laid down in Annex II.

2. The Council acting unanimously on a recommendation from the Commission, may adopt any amendment to Annex II.

3. If, for any product, the concept of originating products has not been defined pursuant to one of the above paragraphs, the Community and the relevant authorities of the countries and territories shall continue to apply their own rules.

Article 11

1. With regard to commercial policy, France, the Netherlands and the United Kingdom shall, each for its part, inform the Commission of any measures taken regarding trade between the countries and territories and third countries. The Commission shall inform the other Member States thereof.

2. At the request of a Member State or of the Commission, consultations shall be held within the Council if such measures might be prejudicial to the interests of one or more Member States or of the Community.

Article 12

1. If, as a result of applying the provisions of this Decision, serious disturbances occur in a sector of the economy of the Community or of one or more of its Member States, or their external financial stability is jeopardized, or if difficulties arise which may result in a deterioration in a sector of the economy of a region of the Community, the Commission may, in accordance with the procedure specified in Annex III, take, or authorize the Member State concerned to take, the necessary safeguard measures.

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.

Article 13

As regards rum, arrack and tafia falling within subheading 22.09 C I of the Common Customs Tariff the special provisions laid down in Decision 76/198/EEC shall apply.

Chapter 2

Trade promotion

Article 14

The Community shall carry out trade promotion activities which shall be aimed at helping the countries and territories to participate under the most favourable conditions in the Community, regional and international markets.

Article 15

The trade promotion activities provided for in Article 14 shall include:

(a) improving the structure and working methods of organizations, departments or firms contributing to the development of the foreign trade of the countries and territories, or setting up such organizations, departments or firms;

(b) basic or advanced vocational training of staff in foreign trade or trade promotion;

(c) participation by the countries and territories in fairs, exhibitions, specialized international shows and the organization of trade events;

(d) improving cooperation between economic operators in the Member States and the countries and territories and establishing links to promote such cooperation;

(e) carrying out and making use of market research and marketing studies;

(f) producing and distributing trade information in various forms within the Community and the countries and territories with a view to developing trade.

Article 16

Applications for financing of trade promotion activities shall be presented to the Community under the conditions laid down in Title III.

Article 17

The Community shall participate, under the conditions laid down in Title III and Annex V, in financing trade promotion activities for promoting the development of exports of the countries and territories.

TITLE II

EXPORT EARNINGS FROM COMMODITIES

Chapter 1

Stabilization of export earnings

Article 18

With the aim of remedying the harmful effects of the instability of export earnings and of thereby enabling the countries and territories to achieve stability, profitability and sustained growth of their economies, the Community shall implement a system for guaranteeing the stabilization of earnings from exports by the countries and territories to the Community of certain products on which their economies are dependent and which are affected by fluctuations in price and/or quantity.

Article 19

1. Export earnings to which the stabilization system applies shall be those accruing from the exportation by the countries and territories to the Community of the products on the following list, drawn up taking account of factors such as employment, deterioration of the terms of trade between the Community and the country or territory concerned, the level of development of the country or territory concerned and the particular difficulties of the countries and territories listed in Article 26:

(a) Groundnut products:

(aa) groundnuts, shelled or not,

(ab) groundnut oil,

(ac) groundnut oilcake;

(b) Cocoa products:

(ba) cocoa beans,

(bb) cocoa paste,

(bc) cocoa butter;

(c) Coffee products:

(ca) raw or roasted coffee,

(cb) extracts, essences or concentrates of coffee;

(d) Cotton products:

(da) cotton, not carded or combed,

(db) cotton linters;

(e) Coconut products:

(ea) coconuts,

(eb) copra,

(ec) coconut oil,

(ed) coconut oilcake;

(f) Palm, palm nut and kernel products:

(fa) palm oil,

(fb) palm nut and kernel oil,

(fc) palm nut and kernel oilcake,

(fd) palm nuts and kernels;

(g) Raw hides, skins and leather:

(ga) raw hides and skins,

(gb) bovine cattle leather,

(gc) sheep and lamb skin leather,

(gd) goat and kid skin leather;

(h) Wood products:

(ha) wood in the rough,

(hb) wood roughly squared or half-squared, but not further manufactured,

(hc) wood sawn lengthwise, but not further prepared;

(i) Fresh bananas;

(k) Tea;

(l) Raw sisal;

(m) Iron ore:

Iron ores and concentrates and roasted iron pyrites.

The statistics used for implementation of the system shall be those obtained by cross-checking the statistics of the countries and territories and of the Community, account being taken of the fob values.

The system shall be implemented in respect of the products listed above where they are:

(a) released for home use in the Community, or

(b) brought under the inward processing arrangements there in order to be processed.

2. The system shall apply to the export earnings of a country or territory from the products listed in paragraph 1 if, during the year preceding the year of application, earnings from the export of the

product or products to all destinations represented at least 7·5% of its total earnings from merchandise exports. For the countries and territories listed in Article 26 the percentage shall be 2·5%.

3. Nonetheless if, not sooner than 12 months following the entry into force of this Decision, one or more products not contained in the list given in paragraph 1, but upon which the economies of one or more countries and territories depend to a considerable extent, are affected by sharp fluctuations, the Council may decide whether the product or products should be included in the list, without prejudice to Article 20 (1).

4. For certain special cases the system shall apply to exports of the products in question irrespective of destination.

Article 20

1. For the purposes specified in Article 18 and for the duration of this Decision, the Community shall allocate for the stabilization of the export earnings of the countries and territories a total amount of 20 million units of account to cover all measures taken by it under the said system.

2. This total amount shall be divided into five equal annual instalments. Every year except the last, the Council may authorize, where required, the use in advance of a maximum of 20% of the following year's instalment.

3. Whatever balance remains at the end of each year of the first four years of the application of this Decision shall be carried forward automatically to the following year.

4. On the basis of a report submitted to it by the Commission, the Council may reduce the amount of the transfers to be made under the stabilization system.

5. Before the expiry of this Decision, the Council shall decide on the use to which any balance remaining from the total amount referred to in paragraph 1 is to be put and also on the terms to be laid down for the further use of amounts still to be paid by the countries and territories under Article 23, after the expiry of this Decision.

Article 21

1. In order to implement the stabilization system a reference level shall be calculated for each country and territory and for each product.

This reference level shall correspond to the average of export earnings during the four years preceding each year of application.

2. The relevant authority of a country or territory shall be entitled to request a financial transfer if, on the basis of the results of a calendar year, the actual earnings of the country or territory concerned, as defined in Article 19, from exports to the Community of each of the products considered individually are at least 7·5% below the reference level. For the countries or territories listed in Article 26 this percentage shall be 2·5%.

3. The request from the relevant authority of a country or territory shall be addressed to the Commission, which shall examine it in the light of the volume of resources available.

The difference between the reference level and actual earnings shall constitute the basis of the transfer.

4. However, should examination of the total exports of the country or territory show a significant change, consultations shall take place between the Commission and the relevant authority of the country or territory concerned to determine whether such changes are likely to have an effect on the amount of the transfer, and if so to what extent.

5. The Commission shall, in conjunction with the relevant authority of the country or territory concerned, draw up a draft decision to make a transfer.

Article 22

The relevant authority of the recipient country or territory shall decide how the resources will be used. It shall inform the Commission annually of the use to which it has put the resources transferred.

Article 23

1. The amounts transferred shall not bear interest.

2. The relevant authorities of the countries and territories which have received transfers shall contribute, in the five years following the allocation of each transfer, towards the reconstitution of the resources made available for the system by the Community where the Commission finds that the trend of their export earnings will so permit.

3. To this effect, the Commission shall determine, for each country or territory, for each year and for each product, and on the conditions specified in Article 19 (1), whether:

— the unit value of the exports is higher than the reference unit value;

— the quantity actually exported to the Community is at least equal to the reference quantity.

If the two conditions are met at the same time, the relevant authority of the recipient country or territory shall pay back into the system, within the limit of the transfers it has received, an amount equal to the reference quantity multiplied by the difference between the reference unit value and the actual unit value.

4. If, on expiry of the five-year period referred to in paragraph 2, the resources have not been fully reconstituted, the Council, acting unanimously on a proposal from the Commission and taking into consideration in particular the situation of and prospects for the balance of payments, exchange reserves and foreign indebtedness of the countries and territories concerned, may decide that:

— the sums outstanding are to be reconstituted wholly or in part, in one or more instalments, or

— rights to repayment are to be waived.

5. Paragraphs 2, 3 and 4 shall not apply to the following countries and territories: the Comoros, Territory of the Afars and Issas, Wallis and Futuna Islands, French Polynesia, Mayotte, Associated States in the Caribbean (Antigua, Dominica, St Lucia, St Vincent, St Kitts, Nevis and Anguilla), Solomon Islands, Turks and Caicos Islands, St Helena and Dependencies, Seychelles, Tuvalu.

6. Should the economic situation of a country or territory undergo a radical and lasting change which necessitates either the application of special measures or no longer justifies such treatment, the list of countries and territories in paragraph 5 may be amended by a Council Decision.

Article 24

For each transfer a ''transfer agreement' shall be drawn up and concluded between the Commission and the relevant authority of the country or territory concerned.

Article 25

1. In order to ensure that the stabilization system functions efficiently and rapidly, statistical and customs cooperation shall be instituted between the Community and the relevant authorities of the countries and territories. The detailed arrangements for such cooperation shall be established by the Council.

2. The relevant authorities of the countries and territories and the Commission shall adopt any practical measures facilitating the exchange of necessary information and the submission of requests for transfers, for example by producing a form for requesting transfers.

Article 26

The least developed or island countries and territories referred to in Article 19 (1) and (2) and Article 21 (2) are as follows: the Netherlands Antilles (Aruba, Bonaire, Curaçao; St Martin, Saba, St Eustatius), Saint Pierre and Miquelon, the Comoros, Territory of the Afars and Issas, New Caledonia and Dependencies, Wallis and Futuna Islands, French Polynesia, Mayotte, Belize, Brunei, Associated States in the Caribbean (Antigua, Dominica, St Lucia, St Vincent, St Kitts, Nevis and Anguilla), Cayman Islands, Falkland Islands and Dependencies, Gilbert Islands, Solomon Islands, Turks and Caicos Islands, British Virgin Islands, Montserrat, Pitcairn, St Helena and Dependencies, Seychelles, British Indian Ocean Territory, Tuvalu, Anglo-French Condominium of the New Hebrides.

Chapter 2

Specific provisions concerning sugar

Article 27

1. The Community shall purchase and import, at guaranteed prices, specific quantities of cane sugar, raw or white, which originate in the countries and territories and which the said countries and territories deliver to it.

2. Annex IV determines the conditions of implementation of this Article.

TITLE III

FINANCIAL AND TECHNICAL COOPERATION

Article 28

1. The purpose of financial and technical cooperation is to correct the structural imbalances in the various sectors of the economies of the countries and territories. The cooperation shall relate to the execution of projects and programmes which contribute essentially to the economic and social development of the said countries and territories.

2. Such development shall consist in particular in the greater well-being of the population, improvement of the economic situation of the countries and territories, local authorities and firms, and the introduction of structures and factors whereby such improvement can be continued and extended by their own means.

3. This cooperation shall complement the efforts of the relevant authorities of the countries and territories and shall be adapted to the characteristics of each of the said countries and territories.

Article 29

1. The Commission shall submit an annual report to the Council on the management of Community financial and technical aid. This report shall be drawn up in collaboration with the European Investment Bank (hereinafter called the 'Bank') for the parts of the report which concern it. It shall in particular show the position as to the commitment, implementation and utilization of the aid, broken down by type of financing and by recipient country or territory.

2. On the basis of the information submitted by the Commission, the Council shall define the policy and guidelines of financial and technical cooperation and shall formulate resolutions on the measures to be taken by the Community and the countries and territories in order to ensure that the objectives of such cooperation are attained.

Article 30

For the duration of this Decision, the overall amount of the Community's aid shall be 160 million units of account.

This amount comprises:

1. 150 million units of account from the European Development Fund (hereinafter called the 'Fund'), allocated as follows:

   (a) for the purposes set out in Article 28, 130 million units of account, consisting of:
   - 65 million u.a. in the form of grants,
   - 40 million u.a. in the form of special loans,
   - 5 million u.a. in the form of risk capital,
   - 20 million u.a. in the form of a reserve;

   (b) 20 million units of account, likewise from the Fund, in the form of transfers to the countries and territories for the stabilization of export earnings.

2. For the purposes set out in Article 28, up to 10 million units of account in the form of loans from the Bank, made from its own resources on the terms and conditions provided for in its Statute, and supplemented, as a general rule, by a 3% interest rate subsidy, under the conditions laid down in Article 4 of Annex V.

   The total cost of the interest rate subsidies shall be charged against the amounts of aid provided for in point 1 (a).

3. The amounts provided for in the form of grants, special loans and the reserve shall be allocated in three equal parts among:
   - the French overseas territories and departments,
   - Surinam and the Netherlands Antilles,
   - the United Kingdom overseas countries and territories.

4. (a) Of the portion allocated to the French overseas territories and departments:
   - 13 million units of account shall be blocked;
   - 7·7 milion units of account shall be allocated for the French overseas departments;
   - 2 million units of account shall be allocated as financial aid to the least-favoured overseas countries and territories, irrespective of the zones within which they fall.

   (b) The sums allocated to the French overseas territories shall amount to 21 million units of account, consisting of:
   - 19 million units of account taken from the share allocated to the French overseas territories and departments in accordance with paragraph 3;
   - 2 million units of account pursuant to Decision 76/569/EEC.

Article 31

1. The method or methods of financing which may be considered for each project or programme shall be selected jointly by the Community and the relevant authority or authorities of the countries and territories with a view to the best possible use being made of the resources available and by reference to the level of development and the economic and financial situation of the country or territory or

countries and territories concerned. Moreover, account shall be taken of the factors which ensure the servicing of repayable aid.

The definitive choice of methods of financing for projects and programmes shall be made only at an appropriate stage in the appraisal of such projects and programmes.

2. Account shall also be taken of the nature of the project or programme, of its prospects of economic and financial profitability and of its economic and social impact.

In particular, productive capital projects in the industrial, tourism and mining sectors shall be given priority financing by means of loans from the Bank and risk capital.

Article 32

1. Where appropriate, a number of methods may be combined for financing a project or programme.

2. With the agreement of the relevant authorities of the countries or territories concerned, financial aid from the Community may take the form of co-financing with participation by, in particular, credit and development agencies and institutions, firms, Member States, countries and territories, third countries or international finance organizations.

Article 33

1. Grants and special loans may be made available to or through the country or territory concerned.

2. Where these funds are on-lent through the country or territory concerned, the terms and procedure for the on-lending by the intermediate recipient to the final borrower shall be laid down between the Community and the relevant authority of the country or territory concerned in an intermediate financing agreement.

3. Any benefits accruing to the intermediate recipient, either because that recipient receives a grant or a loan for which the interest rate or the repayment period is more favourable than that of the final loan, shall be employed by the intermediate recipient for the purposes and on the terms set out in the intermediate financing agreement.

Article 34

1. The financing of projects and programmes comprises the means required for their execution, such as:

— capital projects in the fields of rural development, industrialization, energy, mining, tourism, and economic and social infrastructure;

— schemes to improve the structure of agricultural production;

— technical cooperation schemes, in particular in the fields of training and technological adaptation or innovation;

— industrial information and promotion schemes;

— marketing and sales promotion schemes;

— specific schemes to help small- and medium-sized local firms;

— microprojects for grassroots development, in particular in rural areas.

2. Financial and technical cooperation shall not cover current administrative, maintenance and operating expenses.

3. Financial aid may cover import costs and local expenditure required for the execution of projects and programmes.

Article 35

In the implementation of financial and technical cooperation, the Community shall provide assistance for attaining the objectives which the countries and territories set themselves in the context of regional and inter-regional cooperation.

Article 36

In the implementation of financial and technical cooperation, special attention shall be paid to the needs of the least developed countries and territories so as to reduce the specific obstacles which impede their development and prevent them from taking full advantage of the opportunities offered by financial and technical cooperation.

Article 37

1. The following shall be eligible for financial and technical cooperation:

(a) the countries and territories;

(b) the regional or interstate bodies to which the countries and territories belong and which are authorized by the relevant authorities of the said countries and territories.

2. Subject to the agreement of the relevant authority of the country or territory or countries or territories concerned, the following shall also be eligible for such cooperation in respect of projects or programmes approved by the latter:

(a) local authorities and public or semi-public development agencies of the countries and territories, in particular their development banks;

(b) private bodies working in the countries and territories concerned for the economic and social development of the population of those countries and territories;

(c) firms carrying out their activities, in accordance with industrial and business management methods, and meeting the criteria laid down in Article 49;

(d) groups of producers or like bodies in the countries and territories and, where no such groups or bodies exist, the producers themselves;

(e) for training purposes, scholarship holders and trainees.

Article 38

There shall be close cooperation between the Community and the relevant authorities of the countries and territories in implementing aid measures financed by the former.

Article 39

1. Community aid, which is complementary to the efforts of the countries and territories, shall be integrated in the economic and social development plans and programmes of the said countries and territories so that projects undertaken with the financial support of the Community dovetail with the objectives and priorities set by those countries and territories.

2. To this end the relevant authorities of the countries and territories shall inform the Commission, as far as possible upon the entry into force of this Decision, of their development plans and programmes and of the schemes for which they intend to request financial assistance.

They shall notify the Commission of any subsequent changes in their development plans and programmes.

Article 40

1. Preparation of the projects and programmes shall be the responsibility of the countries and territories concerned or of other beneficiaries approved by them. The Community may, where the relevant authorities of those countries and territories so request, provide technical assistance for drawing up the dossiers of projects or programmes.

2. For each project or programme in respect of which financing is requested, a dossier shall be submitted to the Community either by the relevant authorities of the country or territory concerned, in agreement with the local authorities or the representatives of the population of that country or territory, or by the firm concerned, with the agreement of those authorities.

However, the Community may, if necessary, prepare technical cooperation projects and programmes for a country or territory. It shall first obtain the agreement of the relevant authorities of the latter on the broad lines of such projects or programmes.

Article 41

1. The Community shall appraise the requests for financing which are submitted to it. It shall maintain the necessary contacts with the relevant authorities of the countries and territories. The technical, social, economic, trade, financial, organizational and management aspects of such projects or programmes shall be reviewed systematically.

The country or territory or group of countries and territories concerned shall be notified of the outcome of its requests.

2. The aim of appraisal of the projects and programmes is:

(a) to ensure that the projects and programmes stem from economic or social development plans or programmes of the countries and territories;

(b) to assess, as far as possible by means of an economic evaluation, the effectiveness of each project or programme by setting the effects it is expected to produce against the resources to be invested in it. In each project the expected effects shall be the practical expression of a number of specific development objectives of the country or territory or countries or territories concerned.

On this basis, appraisal shall ensure that, as far as possible, the measures selected constitute the most effective and profitable method of attaining

these objectives, taking into account the various constraints on each country or territory;

(c) to verify that the conditions guaranteeing the successful conclusion and the viability of the projects or programmes are met, which involves:

— verifying that the projects as conceived are suitable for bringing about the effects sought and that the means to be used are commensurate with the circumstances and resources of the country or territory or region concerned;

— guaranteeing that the staff and means, particularly financial, necessary for operating and maintaining the investments and for covering incidental project costs are actually available. Particular attention shall be paid here to the possibility of the project being managed by local personnel.

Article 42

The countries and territories, or the other beneficiaries authorized by them, shall be responsible for the execution of projects financed by the Community.

Accordingly, they shall be responsible for negotiating and concluding works and supply contracts and technical cooperation contracts.

Article 43

1. As regards operations financed by the Community, participation in tendering procedures and other procedures for the award of contracts shall be open on equal terms to all natural and legal persons of the Member States and of the countries and territories.

2. Paragraph 1 shall be without prejudice to measures intended to assist construction firms or manufacturing firms of the country or territory concerned, or of another country or territory, to take part in the execution of works contracts or supply contracts.

3. Paragraph 1 does not mean that the funds paid over by the Community must be used exclusively for the purchase of goods or for the remuneration of services in the Member States and in the countries and territories.

Any participation by third countries in contracts financed by the Community must, however, be of an exceptional nature and be authorized case by case by the competent body of the Community, account being taken in particular of a desire to avoid excessive increases in the cost of projects attributable either to the distances involved and transport difficulties or to the delivery dates.

Participation by third countries may also be authorized where the Community participates in the financing of regional cooperation schemes involving third countries and in the joint financing of projects with other providers of funds.

Article 44

1. The effects and results of completed projects, and the physical state of the work carried out, shall be evaluated regularly and jointly by the competent departments of the Community and of the countries and territories concerned in order to ensure that the objectives set are attained under the best conditions.

Evaluations may also be made of projects in progress where this is warranted by their nature, importance or difficulty of execution.

2. The competent institutions of the Community and of the countries and territories concerned shall cooperate and, each for their respective parts, take the measures which evaluation shows to be necessary.

Article 45

1. The management and maintenance of work carried out within the context of financial and technical cooperation shall be the responsibility of the countries and territories or other beneficiaries.

2. Exceptionally, and by way of derogation from Article 34 (2), in particular under the circumstances specified in Article 8 of Annex V, supplementary aid may be provided temporarily and on a diminishing scale in order to ensure that full use is made of investments which are of special importance for the economic and social development of the country or territory concerned and the running of which temporarily constitutes a truly excessive burden for the country or territory or other beneficiaries.

Article 46

1. The fiscal and customs arrangements applicable in the countries and territories to contracts financed by the Community shall be adopted by a decision of the Council, acting unanimously on a proposal from the Commission.

2. Pending implementation of the decision referred to in paragraph 1, the fiscal and customs arrangements applicable to contracts financed by the Community shall be those arising:

— for the countries and territories having special relations with France and the Netherlands, from the Council Decision of 18 October 1971 amending the Decision of 29 September 1970 on the association of the overseas countries and territories with the European Economic Community;

— for the other countries and territories, from the most favourable treatment they apply in respect of contracts financed by other international organizations.

Article 47

This title and Annex V shall apply to the French overseas departments under the conditions laid down in the second indent of Article 30 (4).

TITLE IV

PROVISIONS RELATING TO ESTABLISHMENT, SERVICES, PAYMENTS AND CAPITAL MOVEMENTS

Chapter 1

Provisions relating to establishment and services

Article 48

As regards the arrangements that may be applied in matters of establishment and provision of services, the relevant authorities of the countries and territories shall treat nationals and companies or firms of Member States on a non-discriminatory basis.

However, if, for a given activity, a Member State is unable to provide similar benefits to nationals or companies or firms of the French Republic, the Kingdom of the Netherlands or the United Kingdom of Great Britain and Northern Ireland, established in a country or territory, or to companies or firms subject to the laws of the country or territory concerned and established therein, the relevant authorities of that country or territory shall not be bound to respect the obligation contained in the first paragraph.

Article 49

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

For the purposes of the first paragraph of Article 48, 'companies or firms of Member States' means companies or firms formed in accordance with the law of a Member State and whose registered office, central administration or principal place of business is in a Member State; however, a company or firm having only its registered office in a Member State must, in order to set up agencies, branches or subsidiaries therein, be engaged in an activity which has an effective and continuous link with the economy of that Member State.

For the purposes of the second paragraph of Article 48, 'companies or firms of the French Republic, the Kingdom of the Netherlands or the United Kingdom of Great Britain and Northern Ireland, established in a country or territory' means companies or firms formed in accordance with French, Dutch or United Kingdom law, as the case may be, and whose registered office, central administration or principal place of business is in that country or territory; however, a company or firm having only its registered office in a country or territory must, in order to set up agencies, branches or subsidiaries therein, be engaged in an activity which has an effective and continuous link with the economy of that country or territory.

For the purposes of the second paragraph of Article 48, 'companies or firms subject to the laws of the country or territory concerned and established therein' means companies or firms formed under the law of a given country or territory and whose registered office, central administration or principal place of business is in that country or territory; however, a company or firm having only its registered office in that country or territory must, in order to set up agencies, branches or subsidiaries therein, be engaged in an activity which has an effective and continuous link with the economy of that country or territory.

Chapter 2

Current payments and capital movements

Article 50

With regard to capital movements linked with investments and to current payments, the relevant authorities of the countries and territories and the Member States shall refrain from taking action in the field of foreign exchange transactions which would be incompatible with their obligations under this Decision resulting from the provisions relating to trade in goods, to services and establishment.

These obligations shall not however, prevent implementation of the necessary protective measures, in conformity with Article 51, should this be justified by reasons relating to serious economic difficulties or severe balance of payments problems.

Article 51

In respect of foreign exchange transactions linked with investments and current payments, the relevant authorities of the countries and territories on the one hand and the Member States on the other shall avoid, as far as possible, taking discriminatory measures *vis-à-vis* each other or according more favourable treatment to third States, taking full account of the evolving nature of the international monetary system, the existence of specific monetary arrangements and balance of payments problems.

To the extent that such measures or treatment are unavoidable they will be maintained or introduced in accordance with international monetary rules and every effort will be made to minimize any adverse effects on the parties concerned.

This Article shall be without prejudice to Article 52.

Article 52

Throughout the duration of the loans and risk capital operations provided for in Article 30, the relevant authorities of each of the countries and territories shall be required:

— to place at the disposal of the beneficiaries referred to in Article 37 the currency necessary for the payment of interest and commission on and authorization of loans and quasi-capital aid granted for the implementation of aid measures on their territory;

— to make available to the Bank the foreign exchange necessary for the transfer of all sums received by it in local currency which represent the net revenue and proceeds from transactions involving the acquisition by the Community of holdings in the capital of firms.

TITLE V

GENERAL AND FINAL PROVISIONS

Article 53

This Decision shall enter into force at the same time as the ACP-EEC Convention of Lomé.

Article 54

This Decision shall expire on 1 March 1980.

Article 55

1. The countries and territories to which this Decision applies are listed in Annex I.

2. The Council may, acting unanimously on a proposal from the Commission, amend or supplement this Annex.

The arrangements provided for in this Decision may continue to apply provisionally, under conditions laid down by the Council, to countries and territories which become independent.

Article 56

If a country or territory becomes independent, 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 30.

Article 57

Before this Decision expires the Council, acting unanimously, shall define the provisions to be laid down for the application of the principles set out in Articles 131 to 135 of the Treaty.

Article 58

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

Done at Luxembourg 29 June 1976.

For the Council

The President

G. THORN

ANNEX I

List of the countries and territories referred to in Article 1

(This list does not prejudice the status of these countries and territories now or in the future)

1. Overseas countries of the Kingdom of the Netherlands:
   — the Netherlands Antilles (Aruba, Bonaire, Curaçao; St Martin, Saba, St Eustatius).

2. Overseas territories of the French Republic:
   — Saint Pierre and Miquelon,
   — Mayotte,
   — Territory of the Afars and Issas,
   — New Caledonia and Dependencies,
   — Wallis and Futuna Islands,
   — French Polynesia,
   — French Southern and Antarctic Territories.

3. Overseas countries and territories of the United Kingdom of Great Britain and Northern Ireland:
   — Belize,
   — Brunei,
   — Associated States in the Caribbean (Antigua, Dominica, St Lucia, St Vincent, St Kitts, Nevis and Anguilla),
   — Cayman Islands,
   — Falkland Islands and Dependencies,
   — Gilbert Islands,
   — Solomon Islands,
   — Turks and Caicos Islands,
   — British Virgin Islands,
   — Montserrat,
   — Pitcairn,
   — St Helena and Dependencies,
   — Seychelles,
   — British Antarctic Territory,
   — British Indian Ocean Territory,
   — Tuvalu.

4. Anglo-French Condominium of the New Hebrides.

5. Countries provisionally covered by this Decision:
   — The Comoros,
   — Surinam.

ANNEX II

concerning the definition of the concept of 'originating products' and methods of administrative cooperation

TITLE I

Definition of the concept of originating products

Article 1

1. For the purpose of implementing the Decision and without prejudice to paragraphs 3 and 4, the following products shall be considered as:

(a) products originating in the Community:

1. products wholly obtained in the Community,
2. products obtained in the Community, in the manufacture of which products other than those wholly, obtained in the Community are used, provided that the said products have undergone sufficient working or processing within the meaning of Article 3;

(b) products originating in the countries and territories:

1. products wholly obtained in one or more countries or territories,
2. products obtained in one or more countries or territories in the manufacture of which products other than those wholly obtained in the countries and territories are used, provided that the said products have undergone sufficient working or processing within the meaning of Article 3.

2. For the purpose of implementing paragraph 1 (b), the countries and territories are considered as being one territory.

3. For the purpose of implementing paragraph 1 (a) (1), products wholly obtained in one or more countries or territories which undergo working or processing in the Community shall be considered as having been wholly obtained in the Community.

For the purpose of implementing paragraph 1 (a) (2), working or processing in one or more countries or territories shall be considered as having been carried out in the Community, where the products thus obtained undergo subsequent working or processing in the Community.

This paragraph shall be applicable on condition that the products in question were transported in accordance with Article 5.

4. For the purpose of implementing paragraph 1 (b) (1), products wholly obtained in the Community or in one or more ACP States, which undergo working or processing in one or more countries or territories, shall be considered as having been wholly obtained in that or those countries or territories.

For the purpose of implementing paragraph 1 (b) (2), working or processing in the Community or in one or more ACP States shall be considered as having been carried out in one or more countries or territories where the products thus obtained undergo subsequent working or processing in that or those countries or territories.

This paragraph shall be applicable on condition that the products in question were transported in accordance with Article 5.

5. For the purpose of implementing the previous paragraphs, and provided that all the conditions laid down in those paragraphs are fulfilled, the products obtained in two or more countries or territories or in the Community shall be considered as products originating in the countries or territory where the last working or processing took place or as products originating in the Community if the last working or processing took place in the Community. For this purpose the working or processing listed in Article 3 (3) (a), (b), (c) and (d) shall not be considered as working or processing, nor shall a combination of such working or of such processing.

6. The products in List C in Annex 4 shall be temporarily excluded from the scope of this Annex.

Article 2

The following shall be considered as wholly obtained either in one or more countries and territories in the Community or in one or more ACP States, within the meaning of Article 1 (1) (a) (1), (b) (1) and (3):

(a) mineral products extracted from their soil or from their seabed;

(b) vegetable products harvested therein;

(c) live animals born and raised therein;

(d) products from live animals raised therein;

(e) products obtained by hunting or fishing conducted therein;

(f) products of sea fishing and other products taken from the sea 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;

(i) waste and scrap resulting from manufacturing operations conducted therein;

(j) goods produced there exclusively from products specified in subparagraphs (a) to (i).

Article 3

1. For the purpose of implementing Article 1 (1) (a) (2) and (b) (2) the following shall be considered as sufficient working or processing:

(a) working or processing as a result of which the goods obtained receive a classification under a heading other than that covering each of the products worked or processed, except, however, working or processing specified in List A in Annex 2, where the special provisions of that list apply;

(b) working or processing specified in List B in Annex 3.

'Sections', 'chapters' and 'headings' shall mean the sections, chapters and headings in the Brussels Nomenclature for the classification of goods in customs tariffs.

2. When, for a given product obtained, a percentage rule limits in List A and in List B the value of the materials and parts which can be used, the total value of these materials and parts, whether or not they have changed heading in the course of the working, processing or assembly within the limits and under the conditions laid down in each of those two lists, may not exceed, in relation to the value of the product obtained, the value corresponding either to the common rate, if the rates are identical in both lists, or to the higher of the two if they are different.

3. For the purpose of implementing Article 3 (1) (a) the following shall always be considered as insufficient working or processing to confer the status of originating products, whether or not there is a change of heading:

(a) operations to ensure the preservation of merchandise in good condition during transport and storage (ventilation, spreading out, drying, chilling, placing in salt, sulphur dioxide or other aqueous solutions, removal of damaged parts, and like operations);

(b) simple operations consisting of removal of dust, sifting or screening, sorting, classifying, matching (including the making-up of sets of articles), washing, painting, cutting up;

(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 packing operations;

(d) affixing marks, labels or 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 Annex to enable them to be considered as originating either in the Community, in the countries and territories or in an ACP State;

(f) simple assembly of parts of articles to constitute a complete article;

(g) a combination of two or more operations specified in subparagraphs (a) to (f);

(h) slaughter of animals.

Article 4

Where the Lists A and B referred to in Article 3 provide that goods obtained in the Community or in one or more countries or territories shall be considered as originating therein only if the value of the products worked or processed does not exceed a given percentage of the value of the goods obtained, the values to be taken into consideration for such percentage shall be:

— on the one hand, as regards products whose importation can be proved: their customs value at the time of importation;

as regards products of undetermined origin: the earliest ascertainable price paid for such products in the Community or in one of the countries and territories where manufacture takes place;

— and on the other hand, the ex-works price of the goods obtained, less internal taxes refunded or refundable on exportation.

Article 5

1. For the purpose of implementing Article 1 (1), (3) and (4), originating products whose transport is effected without entering into territory other than that of the countries and territories or ACP States are considered as transported directly from the countries and territories to the Community or to the ACP States or from the Community or from the ACP States to the countries and territories. Originating goods constituting one single consignment may be transported through territory other than that of the Community or the ACP States or the countries and territories, with, should the occasion arise, transhipment or temporary warehousing in such territory, provided that the crossing of the latter territory is justified for geographical reasons or the needs of transport and that the products have not entered into commerce or been delivered for home use and have not undergone operations other than unloading, reloading or any operation designed to preserve them in good condition.

Interruptions or changes in the method of transport due to *force majeure* or consequent upon conditions at sea shall not affect the application of the preferential treatment laid down in this Annex, provided that the goods have not, during these interruptions or changes, entered into commerce or been delivered for home use and have not undergone any operations other than those designed to preserve them in good condition.

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

(a) a through bill of lading issued in the exporting Member State, country or territory covering the passage through the country of transit;

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

— giving an exact description of the goods,

— stating the dates of unloading and reloading of the goods or of their embarkation or disembarkation, identifying the ships used,

— certifying the conditions under which the goods remained in the transit country;

(c) or failing these, any substantiating documents.

TITLE II

Arrangements for administrative cooperation

Article 6

1. Evidence of originating status, within the meaning of this Annex, of products is given by a movement certificate EUR. 1 of which a specimen is given in Annex 5 to this Annex.

However, the evidence of originating status, within the meaning of this Annex, of products which form the subject of postal consignments (including parcels), provided that they consist only of originating products and that the value does not exceed 1 000 units of account per consignment, is given by a form EUR. 2, of which a specimen is given in Annex 6 to this Annex.

2. Without prejudice to Article 3 (3), where, at the request of the person declaring the goods at the customs, a dismantled or non-assembled article falling within Chapter 84 or 85 of the Brussels Nomenclature is imported by instalments on the conditions laid down by the competent authorities, it shall be considered to be a single article and a movement certificate may be submitted for the whole article upon importation of the first instalment.

3. 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 are not separately invoiced are regarded as one with the piece of equipment, machine, apparatus or vehicle in question.

Article 7

1. A movement certificate EUR. 1 shall be issued by the customs authorities of the exporting Member State or country or territory when the goods to which it relates are exported. It shall be made available to the exporter as soon as actual exportation has been effected or ensured.

2. In exceptional circumstances a movement certificate EUR. 1 may also be issued after exportation of the goods to which it relates if it was not issued at the time of exportation because of errors or involuntary omissions or special circumstances. In this case, the certificate shall bear a special reference to the conditions in which it was issued.

3. A movement certificate EUR. 1 shall be issued only on application having been made in writing by

the exporter. Such application shall be made on a form, of which a specimen is given in Annex 5 to this Annex, which shall be completed in accordance with this Annex.

4. A movement certificate EUR. 1 may be issued only where it can serve as the documentary evidence required for the purpose of implementing the Decision.

5. Applications for movement certificates EUR. 1 must be preserved for at least three years by the customs authorities of the exporting Member State, country or territory.

Article 8

1. The movement certificate EUR. 1 shall be issued by the customs authorities of the exporting Member State, country or territory, if the goods can be considered 'originating products' within the meaning of this Annex.

2. For the purpose of verifying whether the conditions stated in paragraph 1 have been met, the customs authorities shall have the right to call for any documentary evidence or to carry out any check which they consider appropriate.

3. It shall be the responsibility of the customs authorities of the exporting Member State, country or territory to ensure that the forms referred to in Article 9 are duly completed. In particular, they shall check whether the space reserved for the description of the goods has been completed in such a manner as to exclude all possibility of fraudulent additions. To this end, the description of the goods must be indicated without leaving any blank lines. Where the space is not completely filled a horizontal line must be drawn below the last line of the description, the empty space being crossed through.

4. The date of issue of the movement certificate must be indicated in the part of the certificate reserved for the customs authorities.

Article 9

Movement certificates EUR. 1 shall be made out on the form of which a specimen is given in Annex 5 to this Annex. This form shall be printed in one or more of the official languages of the Community. Certificates shall be made out in one of these languages and in accordance with the provisions of the domestic law of the exporting Member State, country or territory; if they are handwritten, they shall be completed in ink and in capital letters.

Each certificate shall measure 210 × 297 mm, a tolerance of up to plus 8 mm or minus 5 mm in the length may be allowed. The paper used must be white-sized writing paper not containing mechanical pulp and weighing not less than 25 g/m². It shall have a printed green guilloche pattern background making any falsification by mechanical or chemical means apparent to the eye.

The exporting Member States and the relevant authorities of the exporting countries and territories 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.

Article 10

1. Under the responsibility of the exporter, he or his authorized representative shall request the issue of a movement certificate EUR. 1.

2. The exporter or his representative shall submit with his request any appropriate supporting document proving that the goods to be exported are such as to qualify for the issue of a movement certificate EUR. 1.

Article 11

1. A movement certificate EUR. 1 must be submitted, within five months of the date of issue by the customs authorities of the exporting Member State, country or territory, to the customs authorities of the importing Member State, country or territory where the goods are entered.

2. When the products enter territories other than those of the Community, the countries and territories, or the ACP States, the time limit laid down in paragraph 1 for the submission of the certificate is extended to 10 months.

Article 12

Movement certificates EUR. 1 shall be submitted to customs authorities in the importing Member State, country or territory, in accordance with the procedures laid down by that Member State, country or

territory. The said authorities may require a translation of a certificate. They may also require the import declaration to be accompanied by a statement from the importer to the effect that the goods meet the conditions required for the implementation of the Decision.

Article 13

1. A movement certificate EUR. 1 which is submitted to the customs authorities of the importing Member State, country or territory after the final date for presentation specified in Article 11 may be accepted for the purpose of applying preferential treatment, where the failure to submit the certificate by the final date set is due to reasons of *force majeure* or exceptional circumstances.

2. In other cases of belated presentation, the customs authorities of the importing Member State, country or territory may accept the certificates where the goods have been submitted to them before the said final date.

Article 14

The discovery of slight discrepancies between the statements made in the movement certificate EUR. 1 and those made in the documents submitted to the customs office for the purpose of carrying out the formalities for importing the goods shall not *ipso facto* render the certificate null and void if it is duly established that the certificate does correspond to the goods submitted.

Article 15

Form EUR. 2, a specimen of which is given in Annex 6, shall be completed by the exporter. It shall be made out in one of the official languages of the Community and in accordance with the provisions of the domestic law of the exporting Member State, country or territory. If it is handwritten it must be completed in ink and in capital letters.

Form EUR. 2 shall be composed of two parts, each part being 210 × 148 mm. The paper used shall be white-sized writing paper not containing mechanical pulp and weighing not less than 64 g/m².

The exporting Member States, and the relevant authorities of the exporting countries or territories may reserve the right to print the forms themselves or may have them printed by printers they have approved. In the latter case each form must include a reference to such approval. In addition, each part must bear the distinctive sign attributed to the approved printer and a serial number, either printed or not, by which it can be identified.

A form EUR. 2 shall be completed for each postal consignment. After completing and signing the two parts of the form, the exporter shall, in the case of consignments by parcel post, attach the two parts to the dispatch note. In the case of consignments by letter post, the exporter shall attach Part 1 firmly to the consignment and insert Part 2 inside it.

These provisions do not exempt exporters from complying with any other formalities required by customs or postal regulations.

Article 16

1. Goods sent as small packages to private persons or forming part of travellers' personal luggage shall be admitted as originating products to the benefit of the provisions of this Annex without requiring the production of a movement certificate EUR. 1 or the completion of a form EUR. 2, provided that such goods are not imported by way of trade and have been declared as meeting the conditions required for the application of these provisions, and where there is no doubt as to the veracity of such declaration.

2. Importations which are occasional and consist solely of goods for the personal use of the recipients or travellers or their families shall not be considered as importations by way of trade if it is evident from the nature and quantity of the goods that no commercial purpose is in view. Furthermore, the total value of these goods must not exceed 60 units of account in the case of small packages or 200 units of account in the case of the contents of travellers' personal luggage.

Article 17

1. Goods sent from a Member State or from a country or territory for exhibition in a country other than a Member State, a country or territory or an ACP State and sold after the exhibition for importation into the Community or into a different country or territory shall benefit on importation from the provisions of this Annex on condition that the goods meet the requirements of this Annex entitling them to be recognized as originating in a

country or territory and provided that it is shown to the satisfaction of the customs authorities that:

(a) an exporter has consigned these goods from the Community or from a country or territory to the country in which the exhibition is held and has exhibited them there;

(b) the goods have been sold or otherwise disposed of by that exporter to someone in the Community or in a country or territory;

(c) the goods have been consigned during the exhibition or immediately thereafter to the Community in the state in which they were sent for exhibition;

(d) the goods have not, since they were consigned for exhibition, been used for any purpose other than demonstration at the exhibition.

2. A movement certificate EUR. 1 must be produced to the customs authorities in the normal manner. The name and address of the exhibition must be indicated thereon. Where necessary, additional documentary evidence of the nature of the goods and 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 goods, and during which the goods remain under customs control.

Article 18

1. When a certificate is issued within the meaning of Article 7 (2) of this Annex after the goods to which it relates have actually been exported, the exporter must in the application referred to in Article 7 (3) of this Annex:

— indicate the place and date of exportation of the goods to which the certificate relates;

— certify that no movement certificate EUR. 1 was issued at the time of exportation of the goods in question, and state the reasons.

2. 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.

Certificates 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 EFTERØLGENDE'.

Article 19

In the event of the 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. The duplicate issued in this way must be endorsed with one of the following words: 'DUPLIKAT', 'DUPLICATA', 'DUPLICATO', 'DUPLICAAT', 'DUPLICATE'.

Article 20

1. When paragraphs 2, 3 and 4 of Article 1 are applied, for the issue of a movement certificate EUR. 1, the competent customs office in the Member State, country or territory requested to issue the certificate for products in the manufactue of which products coming from other Member States, other countries or territories or ACP States are used, shall take into consideration the declaration, of which a specimen is given in Annex 7, given by the exporter in the State, country or territory from which these products came, either on the commercial invoice applicable to these products, or on a supporting document to that invoice.

2. The submission of the information certificate, issued under the conditions set out in Article 21 and of which a specimen is given in Annex 8, may however be requested of the exporter by the customs office concerned, either for checking the authenticity and accuracy of information given on the declaration provided for in paragraph 1, or for obtaining additional information.

Article 21

The information certificate concerning the products taken into use shall be issued at the request of the exporter of these products, either in the circumstances envisaged in Article 20 (2), or at the initiative of this exporter, by the competent customs office in the State, country or territory from which these goods were exported. It shall be made out in duplicate. One copy shall be given to the exporter who has requested it, who shall send it either to the exporter of the final products or to the customs office where

the issue of the movement certificate EUR. 1 for these products has been requested. The second copy shall be preserved by the office which has issued it for at least three years.

Article 22

Member States and the relevant authorities of the countries and territories shall take all necessary steps to ensure that goods traded under cover of a movement certificate EUR. 1, and which in the course of transport use a free zone situated in their territory, are not replaced by other goods and that they do not undergo handling other than normal operations designed to precent their deterioration.

Article 23

In order to ensure the proper application of this Title, the Member States and the relevant authorities of the countries and territories shall assist each other, through their respective customs administrations, in checking the authenticity of movement certificates EUR. 1 and the accuracy of the information concerning the actual origin of the products concerned and the declarations by exporters on forms EUR. 2 and the authenticity and accuracy of the information certificates envisaged in Article 20.

Article 24

Penalties shall be imposed on any person who, in order to enable goods to be accepted as eligible for preferential treatment, draws up, or causes to be drawn up, either a document which contains incorrect particulars for the purpose of obtaining a movement certificate EUR. 1 or a form EUR. 2 containing incorrect particulars.

Article 25

1. *A posteriori* verification of movement certificates EUR. 1 and of forms EUR. 2 shall be carried out at random or whenever the customs authorities of the importing Member State, country or territory have reasonable doubt as to the authenticity of the document or the accuracy of the information regarding the true origin of the goods in question.

2. For the purpose of implementing paragraph 1, the customs authorities of the importing Member State, country or territory shall return the movement certificate EUR. 1 or Part 2 of form EUR. 2, or a photocopy thereof, to the customs authorities of the exporting Member State, country or territory, giving, where appropriate, the reasons of form or substance for an inquiry. The invoice, if it has been submitted, or a copy thereof shall be attached to Part 2 of form EUR. 2 and the customs authorities shall forward any information that has been obtained suggesting that the particulars given on the said certificate or the said form are inaccurate.

If the customs authorities of the importing Member State, country or territory decide to suspend execution of the Decision while awaiting the results of the verification they shall offer to release the goods to the importer subject to any precautionary measures judged necessary.

3. The customs authorities of the importing Member State, country or territory shall be informed of the results of the *a posteriori* verification within three months. These results must be such as to make it possible to determine whether the disputed movement certificate EUR. 1 or form EUR. 2 applies to the goods actually exported, and whether these goods can, in fact, qualify for the application of the preferential arrangements.

When such disputes cannot be settled between the customs authorities of the importing Member State, country or territory and those of the exporting Member State, country or territory, or when they raise a question as to the interpretation of this Annex, they shall be submitted to the Committee on Origin set up under Council Regulation (EEC) No 802/68 of 27 June 1968 on the common definition of the concept of the origin of goods [1].

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

Article 26

The subsequent verification of the information certificate referred to in Article 20 shall be carried out in the circumstances envisaged in Article 25 following a similar procedure to that envisaged in that Article.

Article 27

The Council shall, if necessary, examine the application of the provisions of this Annex and their economic effects, with a view to making any necessary changes to these provisions, notably at the

[1] OJ No L 148, 28. 6. 1968, p. 1.

request of the relevant authorities of the countries and territories when the development of existing industries or the creation of new industries necessitates derogations from this Annex.

Article 28

Until 1 July 1977, Article 1 (3) and (4) shall not be applicable in respect of products obtained in one or more countries or territories from:

— products of one or more Member States of the Community as originally constituted, exported to one or more new Member States or to one or more countries or territories referred to in Article 24 of the Act of Accession, or

— products of one or more new Member States, exported to one or more Member States of the Community as originally constituted, or to one or more countries or territories referred to in Council Decision 71/231/EEC of 7 June 1971 on the definition of the concept of 'originating products' and on methods of administrative cooperation for the application of the Decision of 29 September 1970 on the association of the overseas countries and territories with the European Economic Community [1],

where the products referred to in the two above indents have been the subject only of working or processing within the meaning of Article 3 (3).

Article 29

Movement certificates EUR. 1 and forms EUR. 2 printed in the Member States before the date of the entry into force of the Decision, which indicate the exporting country, group of countries or territory in boxes 4 and 7 respectively, may continue to be used until stocks are exhausted, under the conditions laid down by this Annex.

[1] OJ No L 141, 27. 6. 1971, p. 47.

Annex 1 to Annex II

EXPLANATORY NOTES

Note 1 — Articles 1 and 2

The terms 'Member States', 'countries and territories' and 'ACP States' shall also cover their territorial waters.

Vessels operating on the high seas, including factory ships, on which the fish caught is worked or processed shall be considered as part of the territory of the Member State, country or territory or ACP State to which they belong, provided that they satisfy the conditions set out in explanatory note 6.

Note 2 — Article 1 (1) (b), (3) and (4)

In order to determine whether goods originate in the Community, countries and territories or in one or more of the ACP States, it shall not be necessary to establish whether the power and fuel, plant and equipment, and machines and tools used to obtain such goods originate in third countries or not.

Note 3 — Article 1

Where a percentage rule is applied in determining originating status of a product obtained in a Member State or a country or territory the value added by the working or processing referred to in Article 1 shall correspond to the ex-works price of the product obtained less the customs value of third products imported into the Community or the countries and territories.

Note 4 — Article 3 (1) and (2) and Article 4

The percentage rule constitutes, where the product obtained appears in List A, a criterion additional to that of change of heading for any non-originating product used.

Note 5 — Article 1

Packing shall be considered as forming a whole with the goods contained therein. This provision, however, shall not apply to packing which is not of the normal type for the article packed and which has intrinsic utilization value and is of a durable nature, apart from its function as packing.

Note 6

The term 'their vessels' shall apply only to vessels:

— which are registered or recorded in a Member State, a country or territory or an ACP State;

— which sail under the flag of a Member State, a country or territory or an ACP State;

— which are owned to an extent at least 50% by nationals of Member States, countries and territories or ACP States, or by a company with its head office in a Member State, country and territory or ACP State, of which the manager or managers, chairman of the board of directors or of the supervisory board, and the majority of the members of such boards, are nationals of Member States, countries and territories or ACP States and of which, addition in the case of partnerships or limited companies, at least half the capital belongs to Member States, countries and territories or ACP States or to public bodies or nationals of Member States, countries and territories or ACP States;

— of which at least 50% of the crew, captain and officers included, are nationals of Member States, countries and territories or ACP States.

Note 7 — Article 4

'Ex-works price' shall mean the price paid to the manufacturer in whose undertaking the last working or processing is carried out, provided the price includes the value of all the products used in manufacture.

'Customs value' shall be understood as meaning the customs value laid down in the Convention concerning the valuation of goods for customs purposes signed in Brussels on 15 December 1950.

Note 8 — Article 23

The authorities consulted shall furnish any 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 Member States, countries and territories or ACP States concerned.

Note 9 — Article 1 (4)

Within the meaning of Annex II 'ACP States' shall mean the countries referred to as ACP States in the ACP-EEC Convention of Lomé.

Annex 2 to Annex II

LIST A

List of working or processing operations which result in a change of tariff heading without conferring the status of 'originating products' on the products undergoing such operations, or conferring this status only subject to certain conditions

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
02.06	Meat and edible meat offals (except poultry liver), salted, in brine, dried or smoked	Salting, placing in brine, drying or smoking of meat and edible meat offals of heading Nos 02.01 and 02.04	
03.02	Fish, dried, salted or in brine, smoked fish, whether or not cooked before or during the smoking process	Drying, salting, placing in brine; smoking of fish, whether cooked or not	
04.02	Milk and cream, preserved, concentrated or sweetened	Preserving, concentrating, or adding sugar to milk or cream of heading No 04.01	
04.03	Butter	Manufacture from milk or cream	
04.04	Cheese and curd	Manufacture from products of heading Nos 04.01, 04.02 and 04.03	
07.02	Vegetables (whether or not cooked), preserved by freezing	Freezing of vegetables	
07.03	Vegetables, provisionally preserved in brine, in sulphur water or in other preservative solutions, but not specially prepared for immediate consumption	Placing in brine or in other solutions of vegetables of heading No 07.01	
07.04	Dried, dehydrated or evaporated vegetables, whole, cut, sliced, broken or in powder, but not further prepared	Drying, dehydration, evaporation cutting, grinding, powdering of vegetables of heading Nos 07.01 to 07.03	
08.10	Fruit (whether or not cooked), preserved by freezing, not containing added sugar	Freezing of fruit	
08.11	Fruit provisionally preserved (for example, by sulphur dioxide gas, in brine, in sulphur water or in other preservative solutions), but unsuitable in that state for immediate consumption	Placing in brine or in other solutions of fruit of heading Nos 08.01 to 08.09	

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
08.12	Fruit, dried, other than that falling within heading No 08.01, 08.02, 08.03, 08.04 or 08.05	Drying of fruit	
11.01	Cereal flours	Manufacture from cereals	
11.02	Cereal groats and cereal meal; other worked cereal grains (for example, rolled, flaked, polished, pearled or kibbled, but not further prepared), except husked, glazed, polished or broken rice; germ of cereals, whole, rolled, flaked or ground	Manufacture from cereals	
11.03	Flours of the leguminous vegetables falling within heading No 07.05	Manufacture from dried leguminous vegetables	
11.04	Flours of the fruits falling within any heading in Chapter 8	Manufacture from fruits of Chapter 8	
11.05	Flour, meal and flakes of potato	Manufacture from potatoes	
11.06	Flour and meal of sago and of manioc, arrowroot, salep and other roots and tubers falling within heading No 07.06	Manufacture from products of heading No 07.06	
11.07	Malt, roasted or not	Manufacture from cereals	
11.08	Starches; inulin	Manufacture from cereals of Chapter 10, or from potatoes or other products of Chapter 7	
11.09	Wheat gluten, whether or not dried	Manufacture from wheat or wheat flours	
15.01	Lard, other pig fat and poultry fat, rendered or solvent-extracted	Manufacture from products of heading No 02.05	
15.02	Fats of bovine cattle, sheep or goats, unrendered; rendered or solvent-extracted fats (including 'premier jus') obtained from those unrendered fats	Manufacture from products of heading Nos 02.01 and 02.06	
15.04	Fats and oils, of fish and marine mammals, whether or not refined	Manufacture from fish or marine mammals caught by fishing vessels of third countries	
15.06	Other animal oils and fats (including neat's-foot oil and fats from bones or waste)	Manufacture from products of Chapter 2	

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
ex 15.07	Fixed vegetable oils, fluid or solid, crude, refined or purified, but not including Chinawood oil, myrtlewax, Japan wax or oil of tung nuts, oleococca seeds or oiticia seeds; also not including oils of a kind used in machinery or mechanical appliances or for industrial purposes other than the manufacture of edible products	Manufacture from products of Chapters 7 and 12	
16.01	Sausages and the like, of meat, meat offal or animal blood	Manufacture from products of Chapter 2	
16.02	Other prepared or preserved meat or meat offal	Manufacture from products of Chapter 2	
16.04	Prepared or preserved fish, including caviar and caviar substitutes	Manufacture from products of Chapter 3	
16.05	Crustaceans and molluscs, prepared or preserved	Manufacture from products of Chapter 3	
17.02	Other sugars; sugar syrups; artificial honey (whether or not mixed with natural honey); caramel	Manufacture from any product	
17.04	Sugar confectionery, not containing cocoa	Manufacture from other products of Chapter 17 the value of which exceeds 30% of the value of the finished product	
17.05	Flavoured or coloured sugars, syrups and molasses, but not including fruit juices containing added sugar in any proportion	Manufacture from other products of Chapter 17 the value of which exceeds 30% of the value of the finished product	
18.06	Chocolate and other food preparations containing cocoa	Manufacture from products of Chapter 17 the value of which exceeds 30% of the value of the finished product	
19.01	Malt extract	Manufacture from products of heading No 11.07	
19.02	Preparations of flour, meal, starch or malt extract, of a kind used as infant food or for dietetic or culinary purposes, containing less than 50% by weight of cocoa	Manufacture from cereals and derivatives thereof, meat and milk, or in which the value of products of Chapter 17 used exceeds 30% of the value of the finished product	
19.03	Macaroni, spaghetti and similar products		Manufacture from durum wheat

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
19.04	Tapioca and sago; tapioca and sago substitutes from potato or other starches	Manufacture from potato starch	
19.05	Prepared foods obtained by the swelling or roasting of cereals or cereal products (puffed rice, cornflakes and similar products)	Manufacture from any product other than of Chapter 17 (1) or in which the value of the products of Chapter 17 used exceeds 30% of the value of the finished product	
19.06	Communion wafers, empty cachets of a kind suitable for pharmaceutical use, sealing wafers, rice paper, and similar products	Manufacture from products of Chapter 11	
19.07	Bread, ships' biscuits and other ordinary bakers' wares, not containing added sugar, honey, eggs, fats, cheese or fruit	Manufacture from products of Chapter 11	
19.08	Pastry, biscuits, cakes and other fine bakers' wares, whether or not containing cocoa in any proportion	Manufacture from products of Chapter 11	
20.01	Vegetables and fruit prepared or preserved by vinegar or acetic acid, with or without sugar, whether or not containing salt, spices or mustard	Preserving vegetables, fresh or frozen or preserved temporarily or preserved in vinegar	
20.02	Vegetables prepared or preserved otherwise than by vinegar or acetic acid	Preserving vegetables fresh or frozen	
20.03	Fruit preserved by freezing, containing added sugar	Manufacture from products of Chapter 17 of which the value exceeds 30% of the value of the finished product	
20.04	Fruits, fruit-peel and parts of plants, preserved by sugar (drained, glacé or crystallized)	Manufacture from products of Chapter 17 of which the value exceeds 30% of the value of the finished product	
ex 20.05	Jams, fruit jellies, marmalades, fruit purées and fruit pastes, being cooked preparations, containing added sugar	Manufacture from products of Chapter 17 of which the value exceeds 30% of the value of the finished product	
20.06	Fruit otherwise prepared or preserved whether or not containing added sugar or spirit:		

(1) This rule does not apply where the use of maize of the 'zea indurata' type or 'durum wheat' is concerned

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
20.06 *(cont'd)*	A. Nuts		Manufacture, without added sugar or spirit, in which the value of the constituent 'originating products' of heading Nos 08.01, 08.05 and 12.01, represents at least 60% of the value of the manufactured product
	B. Other fruits	Manufactured from products of Chapter 17 of which the value exceeds 30% of the value of the finished product	
ex 20.07	Fruit juices (including grape must), whether or not containing added sugar, but unfermented and not containing spirit	Manufacture from products of Chapter 17 of which the value exceeds 30% of the value of the finished product	
ex 21.01	Roasted chicory and extracts thereof	Manufacture from chicory roots, fresh or dried	
21.05	Soups and broths in liquid, solid or powder forms; homogenized food preparations	Manufacture from products of heading No 20.02	
22.02	Lemonade, flavoured spa waters and flavoured aerated waters, and other non-alcoholic beverages, not including fruit and vegetable juices falling within heading No 20.07	Manufacture from fruit juices(1) or in which the value of products of Chapter 17 used exceeds 30% of the value of the finished product	
22.06	Vermouths, and other wines of fresh grapes flavoured with aromatic extracts	Manufacture from products of heading No 08.04, 20.07, 22.04 or 22.05	
22.08	Ethyl alcohol or neutral spirits, undenatured, of a strength of 80° or higher; denatured spirits (including ethyl alcohol and neutral spirits) of any strength	Manufacture from products of heading No 08.04, 20.07, 22.04 or 22.05	
22.09	Spirits (other than those of heading No 22.08); liqueurs and other spirituous beverages; compound alcoholic preparations (known as 'concentrated extracts') for the manufacture of beverages	Manufacture from products of heading No 08.04, 20.07, 22.04 or 22.05	
22.10	Vinegar and substitutes for vinegar	Manufacture from products of heading No 08.04, 20.07, 22.04 or 22.05	

(1) This rule does not apply where fruit juices of pineapple, lime and grapefruit are concerned.

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
ex 23.03	Residues from the manufacture of maize starch (excluding concentrated steeping liquours), of a protein content, calculated on the dry product, exceeding 40% by weight	Manufacture from maize or maize flour	
23.04	Oil cake and other residues (except dregs) resulting from the extraction of vegetable oils	Manufacture from various products	
23.07	Sweetened forage; other preparations of a kind used in animal feeding	Manufacture from cereals and derived products, meat, milk, sugar and molasses	
ex 24.02	Cigarettes, cigars, smoking tobacco		Manufacture from products of heading No 24.01 of which at least 70 % by quantity are 'originating products'
ex 28.38	Aluminium sulphate		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
30.03	Medicaments (including veterinary medicaments)		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
31.05	Other fertilizers; goods of the present Chapter in tablets, lozenges and similar prepared forms or in packings of a gross weight not exceeding 10 kg		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
32.06	Colour lakes	Manufacture from materials of heading No 32.04 or 32.05 (1)	
32.07	Other colouring matter; inorganic products of a kind used as luminophores	Mixing of oxides or salts of Chapter 28 with extenders such as barium sulphate, chalk barium carbonate and satin white (1)	
33.05	Aqueous distillates and aqueous solutions of essential oils, including such products suitable for medicinal uses	Manufacture from products of heading No 33.01 (1)	
35.05	Dextrins and dextrin glues; soluble or roasted starches; starch glues		Manufacture from maize or potatoes

(1) These provisions do not apply where the products are obtained from products which have acquired the status of originating products in accordance with the conditions laid down in List B.

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
37.01	Photographic plates and film in the flat, sensitized, unexposed, of any material other than paper, paperboard or cloth	Manufacture from products of heading No 37.02 (1)	
37.02	Film in rolls, sensitized, unexposed, perforated or not	Manufacture from products of heading No 37.01 (1)	
37.04	Sensitized plates and film, exposed but not developed, negative or positive	Manufacture from products of heading No 37.01 or 37.02 (1)	
38.11	Disinfectants, insecticides, fungicides, weed-killers, anti-sprouting products, rat poisons and similar products, put up in forms or packings for sale by retail or as preparations or as articles (for example, sulphur-treated bands, wicks and candles, fly-papers)		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
38.12	Prepared glazings, prepared dressings and prepared mordants, of a kind used in the textile, paper, leather or like industries		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
38.13	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 rods and electrodes		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
ex 38.14	Anti-knock preparations, oxidation inhibitors, gum inhibitors, viscosity improvers, anti-corrosive preparations and similar prepared additives for mineral oils, excluding prepared additives for lubricants		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
38.15	Prepared rubber accelerators		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product

( ) These provisions do not apply where the products are obtained from products which have acquired the status of originating products in accordance with the conditions laid down in List B.

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
38.17	Preparations and charges for fire-extinguishers; charged fire-extinguishing grenades		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
38.18	Composite solvents and thinners for varnishes and similar products		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
ex 38.19	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, excluding: — Fusel oil and Dippel's oil; — Naphthenic acids and their non-water-soluble salts, esters of naphthenic acids; — Sulphonaphthenic acids and their non-water-soluble salts; esters of sulphonaphthenic acids; — 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; — Mixed alkylbenzenes and mixed alkylnaphthalenes; — Ion exchangers; — Catalysts; — Getters for vacuum tubes; — Refractory cements or mortars and similar preparations; — Alkaline iron oxide for the purification of gas; — Carbon (excluding that in artificial graphite of heading No 38.01) of metallo-graphite or other compounds, in the form of small plates, bars or other semi-manufactures		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
ex 39.02	Polymerization products		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product
39.07	Articles of materials of the kinds described in heading Nos 39.01 to 39.06		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
40.05	Plates, sheets and strip, of unvulcanized natural or synthetic rubber, other than smoked sheets and crepe sheets of heading No 40.01 or 40.02; granules of unvulcanized natural or synthetic rubber compounded ready for vulcanization; unvulcanized natural or synthetic rubber, compounded before or after coagulation either with carbon black (with or without the addition of mineral oil) or with silica (with or without the addition of mineral oil), in any form, of a kind known as masterbatch		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
41.08	Patent leather and imitation patent leather; metallized leather		Varnishing or metallizing of leather of heading Nos 41.02 to 41.07 (other than skin leather of crossed Indian sheep and of Indian goat or kid, not further prepared than vegetable tanned, or if otherwise prepared obviously unsuitable for immediate use in the manufacture of leather articles) in which the value of the skin leather used does not exceed 50% of the value of the finished product
43.03	Articles of furskin	Making up from furskin in plates, crosses and similar forms (heading No ex 43.02) (1)	
44.21	Complete wooden packing cases, boxes, crates, drums and similar packings		Manufacture from boards not cut to size
45.03	Articles of natural cork		Manufacture from products of heading No 45.01

(1) These provisions do not apply where the products are obtained from products which have acquired the status of originating products in accordance with the conditions laid down in List B.

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
48.06	Paper and paperboard, ruled, lined or squared, but not otherwise printed, in rolls or sheets		Manufacture from paper pulp
48.14	Writing blocks, envelopes, letter cards, plain postcards, correspondence cards; boxes, pouches, wallets and writing compendiums, of paper or paperboard, containing only an assortment of paper stationery		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
48.15	Other paper and paperboard, cut to size or shape		Manufacture from paper pulp
48.16	Boxes, bags and other packing containers, of paper or paperboard		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
49.09	Picture postcards, Christmas and other picture greeting cards, printed by any process, with or without trimmings	Manufacture from products of heading No 49.11	
49.10	Calendars of any kind, of paper or paperboard, including calendar blocks	Manufacture from products of heading No 49.11	
50.04(1)	Silk yarn, other than yarn of noil or other waste silk, not put up for retail sale		Manufacture from products other than those of heading No 50.04
50.05(1)	Yarn spun from silk waste other than noil, not put up for retail sale		Manufacture from products of heading No 50.03
50.06(1)	Yarn spun from noil silk, not put up for retail sale		Manufacture from products of heading No 50.03
50.07(1)	Silk yarn and yarn spun from noil or other waste silk, put up for retail sale		Manufacture from products of heading Nos 50.01 to 50.03
ex 50.08(1)	Imitation catgut of silk		Manufacture from products of heading No 50.01 or from products of heading No 50.03 neither carded nor combed

(1) For yarn composed of two or more textile materials, the conditions shown in this list must also be met in respect of each of the headings under which yarns of the other textile materials of which the mixed yarn is composed would be classified. This rule, however, does not apply to any one or more mixed textile materials whose weight does not exceed 10 % of the total weight of textile materials incorporated.

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
50.09(1)	Woven fabrics of silk or of waste silk other than noil		Manufacture from products of heading No 50.02 or 50.03
50.10(1)	Woven fabrics of noil silk		Manufacture from products of heading No 50.02 or 50.03
51.01(2)	Yarn of man-made fibres (continuous), not put up for retail sale		Manufacture from chemical products or textile pulp
51.02(2)	Monofil, strip (artificial straw and the like) and imitation catgut, of man-made fibre materials		Manufacture from chemical products or textile pulp
51.03(2)	Yarn of man-made fibres (continuous), put up for retail sale		Manufacture from chemical products or textile pulp
51.04(1)	Woven fabrics of man-made fibres (continuous), including woven fabrics of monofil or strip of heading No 51.01 or 51.02		Manufacture from chemical products or textile pulp
52.01(2)	Metallized yarn, being textile yarn spun with metal or covered with metal by any process		Manufacture from chemical products, from textile pulp or from natural textile fibres, discontinuous man-made fibres or their waste, neither carded nor combed
52.02(1)	Woven fabrics of metal thread or of metallized yarn, of a kind used in articles of apparel, as furnishing fabrics or the like		Manufacture from chemical products, from textile pulp or from natural textile fibres, discontinuous man-made fibres or their waste
53.06(2)	Yarn of carded sheep's or lambs' wool (woollen yarn), not put up for retail sale		Manufacture from products of heading No 53.01 or 53.03
53.07(2)	Yarn of combed sheep's or lambs' wool (worsted yarn), not put up for retail sale		Manufacture from products of heading No 53.01 or 53.03

(1) For fabrics composed of two or more textile materials, the conditions shown in this list must also be met in respect of each of the headings under which fabric of the other textile materials of which the mixed fabric is composed would be classified. This rule, however, does not apply to any one or more mixed textile materials whose weight does not exceed 10 % of the total weight of textile materials incorporated. This percentage shall be increased:

(i) to 20 % where the material in question is yarn made of polyurethane segmented with flexible segments of polyether, whether or not gimped, falling within heading Nos ex 51.01 and ex 58.07;

(ii) to 30 % where the material in question is yarn of a width not exceeding 5 mm formed of a core consisting either of a thin strip of aluminium or of a film of artificial plastic material whether or not covered with aluminium powder, this core having been inserted and glued by means of a transparent or coloured glue between two films of artificial plastic material.

(2) For yarn composed of two or more textile materials, the conditions shown in this list must also be met in respect of each of the headings under which yarns of the other textile materials of which the mixed yarn is composed would be classified. This rule, however, does not apply to any one or more mixed textile materials whose weight does not exceed 10 % of the total weight of textile materials incorporated.

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
53.08(1)	Yarn of fine animal hair (carded or combed), not put up for retail sale		Manufacture from raw fine animal hair of heading No 53.02
53.09(1)	Yarn of horsehair or of other coarse animal hair, not put up for retail sale		Manufacture from raw coarse animal hair of heading No 53.02 or from raw horsehair of heading No 05.03
53.10(1)	Yarn of sheep's or lambs' wool, of horsehair or of other animal hair (fine or coarse), put up for retail sale		Manufacture from materials of heading Nos 05.03 and 53.01 to 53.04
53.11(2)	Woven fabrics of sheep's or lambs' wool or of fine animal hair		Manufacture from materials of heading Nos 53.01 to 53.05
53.12(2)	Woven fabrics of coarse animal hair other than horsehair		Manufacture from products of heading Nos 53.02 to 53.05
53.13(2)	Woven fabrics of horsehair		Manufacture from horsehair of heading No 05.03
54.03(1)	Flax or ramie yarn, not put up for retail sale		Manufacture either from products of heading No 54.01 neither carded nor combed or from products of heading No 54.02
54.04(1)	Flax or ramie yarn, put up for retail sale		Manufacture from materials of heading No 54.01 or 54.02
54.05(2)	Woven fabrics of flax or of ramie		Manufacture from materials of heading No 54.01 or 54.02
55.05(1)	Cotton yarn, not put up for retail sale		Manufacture from materials of heading No 55.01 or 55.03
55.06(1)	Cotton yarn, put up for retail sale		Manufacture from materials of heading No 55.01 or 55.03
55.07(2)	Cotton gauze		Manufacture from materials of heading No 55.01, 55.03 or 55.04
55.08(2)	Terry towelling and similar terry fabrics, of cotton		Manufacture from materials of heading No 55.01, 55.03 or 55.04
55.09(2)	Other woven fabrics of cotton		Manufacture from materials of heading No 55.01, 55.03 or 55.04

(1) For yarn composed of two or more textile materials, the conditions shown in this list must also be met in respect of each of the headings under which yarns of the other textile materials of which the mixed yarn is composed would be classified. This rule, however, does not apply to any one or more mixed textile materials whose weight does not exceed 10 % of the total weight of textile materials incorporated.

(2) For fabrics composed of two or more textile materials, the conditions shown in this list must also be met in respect of each of the headings under which fabric of the other textile materials of which the mixed fabric is composed would be classified. This rule, however, does not apply to any one or more mixed textile materials whose weight does not exceed 10 % of the total weight of textile materials incorporated. This percentage shall be increased:

(i) to 20 % where the material in question is yarn made of polyurethane segmented with flexible segments of polyether, whether or not gimped, falling within headings Nos ex 51.01 and ex 58.07;

(ii) to 30 % where the material in question is yarn of a width not exceeding 5 mm formed of a core consisting either of a thin strip of aluminium or of a film of artificial plastic material whether or not covered with aluminium powder, this core having been inserted and glued by means of a transparent or coloured glue between two films of artificial plastic material.

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
56.01	Man-made fibres (discontinuous), not carded, combed or otherwise prepared for spinning		Manufacture from chemical products or textile pulp
56.02	Continuous filament tow for the manufacture of man-made fibres (discontinuous)		Manufacture from chemical products or textile pulp
56.03	Waste (including yarn waste and pulled or garnetted rags) of man-made fibres (continuous or discontinuous), not carded, combed or otherwise prepared for spinning		Manufacture from chemical products or textile pulp
56.04	Man-made fibres (discontinuous or waste), carded, combed or otherwise prepared for spinning		Manufacture from chemical products or textile pulp
56.05(1)	Yarn of man-made fibres (discontinuous or waste), not put up for retail sale		Manufacture from chemical products or textile pulp
56.06(1)	Yarn of man-made fibres (discontinuous or waste), put up for retail sale		Manufacture from chemical products or textile pulp
56.07(2)	Woven fabrics of man-made fibres (discontinuous or waste)		Manufacture from products of heading Nos 56.01 to 56.03
57.05(1)	Yarn of true hemp		Manufacture from raw true hemp
57.06(1)	Yarn of jute or of other textile bast fibres of heading No 57.03		Manufacture from raw jute, jute tow or from other raw textile bast fibres of heading No 57.03
57.07(1)	Yarn of other vegetable textile fibres		Manufacture from raw vegetable textile fibres of heading Nos 57.02 to 57.04

(1) For yarn composed of two or more textile materials, the conditions shown in this list must also be met in respect of each of the headings under which yarns of the other textile materials of which the mixed yarn is composed would be classified. This rule, however, does not apply to any one or more mixed textile materials whose weight does not exceed 10 % of the total weight of textile materials incorporated.

(2) For fabrics composed of two or more textile materials, the conditions shown in this list must also be met in respect of each of the headings under which fabric of the other textile materials of which the mixed fabric is composed would be classified. This rule, however, does not apply to any one or more mixed textile materials whose weight does not exceed 10 % of the total weight of textile materials incorporated. This percentage shall be increased:

(i) to 20 % where the material in question is yarn made of polyurethane segmented with flexible segments of polyether, whether or not gimped, falling within headings Nos ex 51.01 and ex 58.07;

(ii) to 30 % where the material in question is yarn of a width not exceeding 5 mm formed of a core consisting either of a thin strip of aluminium or of a film of artificial plastic material whether or not covered with aluminium powder, this core having been inserted and glued by means of a transparent or coloured glue between two films of artificial plastic material.

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confer the status of originating products when the following conditions are met
CCT heading No	Description		
57.08	Paper yarn		Manufacture from products of Chapter 47, from chemical products, textile pulp or from natural textile fibres discontinuous man-made fibres or their waste, neither carded nor combed
57.09(1)	Woven fabrics of true hemp		Manufacture from products of heading No 57.01
57.10(1)	Woven fabrics of jute or of other textile bast fabrics of heading No 57.03		Manufacture from raw jute, jute tow or from other raw textile bast fibres of heading No 57.03
57.11(1)	Woven fabrics of other vegetable textile fibres		Manufacture from materials of heading No 57.02 or 57.04 or from coir yarn of heading No 57.07
57.12	Woven fabrics of paper yarn		Manufacture from paper, from chemical products, textile pulp or from natural textile fibres, discontinuous man-made fibres or their waste
58.01(2)	Carpets, carpeting and rugs, knotted (made up or not)		Manufacture from materials of heading Nos 50.01 to 50.03, 51.01, 53.01 to 53.05, 54.01, 55.01 to 55.04, 56.01 to 56.03 or 57.01 to 57.04
58.02(2)	Other carpets, carpeting, rugs, mats and matting, and 'Kelem', 'Schumacks' and 'Karamanie' rugs and the like (made up or not)		Manufacture from materials of heading Nos 50.01 to 50.03, 51.01, 53.01 to 53.05, 54.01, 55.01 to 55.04, 56.01 to 56.03, 57.01 to 57.04 or from coir yarn of heading No 57.07
58.04(2)	Woven pile fabrics and chenille fabrics (other than terry towelling or similar terry fabrics of cotton of heading No 55.08 and fabrics of heading No 58.05)		Manufacture from materials of heading Nos 50.01 to 50.03, 53.01 to 53.05, 54.01, 55.01 to 55.04, 56.01 to 56.03, 57.01 to 57.04 or from chemical products or textile pulp

(1) For fabrics composed of two or more textile materials, the conditions shown in this list must also be met in respect of each of the headings under which fabric of the other textile materials of which the mixed fabric is composed would be classified. This rule, however, does not apply to any one or more mixed textile materials whose weight does not exceed 10 % of the total weight of textile materials incorporated. This percentage shall be increased:

(i) to 20 % where the material in question is yarn made of polyurethane segmented with flexible segments of polyether, whether or not gimped, falling within heading Nos ex 51.01 and ex 58.07;

(ii) to 30 % where the material in question is yarn of a width not exceeding 5 mm formed of a core consisting either of a thin strip of aluminium or of a film of artificial plastic material whether or not covered with aluminium powder, this core having been inserted and glued by means of a transparent or coloured glue between two films of artificial plastic material.

(2) For products composed of two or more textile materials, the conditions shown in this list must also be met in respect of each of the headings under which products of the other textile materials of which the mixed product is composed would be classified. This rule, however, does not apply to any one or more mixed textile materials whose weight does not exceed 10 % of the total weight of textile materials incorporated. This percentage shall be increased:

(i) to 20 % where the product in question is yarn made of polyurethane segmented with flexible segments of polyether, whether or not gimped, falling within heading Nos ex 51.01 and ex 58.07;

(ii) to 30 % where the product in question is yarn of a width not exceeding 5 mm formed of a core consisting either of a thin strip of aluminium or of a film of artificial plastic material whether or not covered with aluminium powder, this core having been inserted and glued by means of a transparent or coloured glue between two films of artificial plastic material.

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
58.05(1)	Narrow woven fabrics, and narrow fabrics (bolduc) consisting of warp without weft assembled by means of an adhesive, other than goods falling within heading No 58.06		Manufacture from materials of heading Nos 50.01 to 50.03, 53.01 to 53.05, 54.01, 55.01 to 55.04, 56.01 to 56.03 or 57.01 to 57.04 or from chemical products or textile pulp
58.06(1)	Woven labels, badges and the like, not embroidered, in the piece, in strips or cut to shape or size		Manufacture from materials of heading Nos 50.01 to 50.03, 53.01 to 53.05, 54.01, 55.01 to 55.04, 56.01 to 56.03 or from chemical products or textile pulp
58.07(1)	Chenille yarn (including flock chenille yarn), gimped yarn (other than metallized yarn of heading No 52.01 and gimped horsehair yarn); braids and ornamental trimmings in the piece; tassels, pompons and the like		Manufacture from materials of heading Nos 50.01 to 50.03, 53.01 to 53.05, 54.01, 55.01 to 55.04, 56.01 to 56.03 or from chemical products or textile pulp
58.08(1)	Tulle and other net fabrics (but not including woven, knitted or crocheted fabrics), plain		Manufacture from materials of heading Nos 50.01 to 50.03, 53.01 to 53.05, 54.01, 55.01 to 55.04, 56.01 to 56.03 or from chemical products or textile pulp
58.09(1)	Tulle and other net fabrics (but not including woven, knitted or crocheted fabrics), figured; hand or mechanically made lace, in the piece, in strips or in motifs		Manufacture from materials of heading Nos 50.01 to 50.03, 53.01 to 53.05, 54.01, 55.01 to 55.04, 56.01 to 56.03 or from chemical products or textile pulp
58.10	Embroidery, in the piece, in strips or in motifs		Manufacture in which the value of the product used does not exceed 50% of the value of finished product
59.01(1)	Wadding and articles of wadding; textile flock and dust and mill neps		Manufacture either from natural fibres or from chemical products or textile pulp
59.02(1)	Felt and articles of felt, whether or not impregnated		Manufacture either from natural fibres or from chemical products or textile pulp

(1) For products composed of two or more textile materials, the conditions shown in this list must also be met in respect of each of the headings under which products of the other textile materials of which the mixed product is composed would be classified. This rule, however, does not apply to any one or more mixed textile materials whose weight does not exeed 10% of the total weight of textile materials incorporated. This percentage shall be increased:

(i) to 20% where the product in question is yarn made of polyurethane segmented with flexible segments of polyether, whether or not gimped, falling within heading Nos ex 51.01 and ex 58.07;

(ii) to 30 % where the product in question is yarn of a width not exceeding 5 mm formed of a core consisting either of a thin strip of aluminium or of a film of artificial plastic material whether or not covered with aluminium powder, this core having been inserted and glued by means of a transparent or coloured glue between two films of artificial plastic material.

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
ex 59.02(1)	Needled felt, whether or not impregnated or coated		Manufacture from fibre or continuous polypropylene filament of which the denomination of the filaments is less than 8 denier and of which the value does not exceed 40% of the value of the finished product
59.03(1)	Bonded fibre fabrics, similar bonded yarn fabrics, and articles of such fabrics, whether or not impregnated or coated		Manufacture either from natural fibres or from chemical products or textile pulp
59.04(1)	Twine, cordage, ropes and cables, plaited or not		Manufacture either from natural fibres or from chemical products or textile pulp or from coir yarn of heading No 57.07
59.05(1)	Nets and netting made of twine, cordage or rope, and made up fishing nets of yarn, twine, cordage or rope		Manufacture either from natural fibres or from chemical products or textile pulp or from coir yarn of heading No 57.07
59.06(1)	Other articles made from yarn, twine, cordage, rope or cables, other than textile fabrics and articles made from such fabrics		Manufacture either from natural fibres or from chemical products or textile pulp or from coir yarn of heading No 57.07
59.07	Textile fabrics coated with gum or amylaceous substances of a kind used for the outer covers of books and the like; tracing cloth; prepared painting canvas; buckram and similar fabrics for hat foundations and similar uses		Manufacture from yarn
59.08	Textile fabrics impregnated, coated, covered or laminated with preparations of cellulose derivatives or of other artificial plastic materials		Manufacture from yarn
59.09	Textile fabrics coated or impregnated with oil or preparations with a basis of drying oil		Manufacture from yarn
59.10(1)	Linoleum and materials prepared on a textile base in a similar manner to linoleum, whether or not cut to shape or of a kind used as floor coverings; floor coverings consisting of a coating applied on a textile base, cut to shape or not		Manufacture either from yarn or from textile fibres

(1) For products composed of two or more textile materials, the conditions shown in this list must also be met in respect of each of the headings under which products of the other textile materials of which the mixed product is composed would be classified. This rule, however, does not apply to any one or more mixed textile materials whose weight does not exceed 10% of the total weight of textile materials incorporated. This percentage shall be increased:

(i) to 20% where the product in question is yarn made of polyurethane segmented with flexible segments of polyether, whether or not gimped, falling within heading Nos ex 51.01 and ex 58.07;

(ii) to 30% where the product in question is yarn of a width not exceeding 5 mm formed of a core consisting either of a thin strip of aluminium or of a film of artificial plastic material whether or not covered with aluminium powder, this core having been inserted and glued by means of a transparent or coloured glue between two films of artificial plastic material.

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
59.11	Rubberized textile fabrics, other than rubberized knitted or crocheted goods		Manufacture from yarn
59.12	Textile fabrics otherwise impregnated or coated; painted canvas being theatrical scenery, studio backcloths or the like		Manufacture from yarn
59.13(1)	Elastic fabrics and trimmings (other than knitted or crocheted goods) consisting of textile materials combined with rubber threads		Manufacture from single yarn
59.15(1)	Textile hosepiping and similar tubing, with or without lining, armour or accessories of other materials		Manufacture from materials of heading Nos 50.01 to 50.03, 53.01 to 53.05, 54.01, 55.01 to 55.04, 56.01 to 56.03 or 57.01 to 57.04 or from chemical products or textile pulp
59.16(1)	Transmission, conveyor or elevator belts or belting, of textile material, whether or not strengthened with metal or other material		Manufacture from materials of heading Nos 50.01 to 50.03, 53.01 to 53.05, 54.01, 55.01 to 55.04, 56.01 to 56.03 or 57.01 to 57.04 or from chemical products or textile pulp
59.17(1)	Textile fabrics and textile articles, of a kind commonly used in machinery or plant		Manufacture from materials of heading Nos 50.01 to 50.03, 53.01 to 53.05, 54.01, 55.01 to 55.04, 56.01 to 56.03 or 57.01 to 57.04 or from chemical products or textile pulp
ex Chapter 60 (1)	Knitted and crocheted goods, excluding knitted or crocheted goods obtained by sewing or by the assembly of pieces of knitted or crocheted goods (cut or obtained directly to shape)		Manufacture from natural fibres, carded or combed, from materials of heading Nos 56.01 to 56.03, from chemical products or textile pulp
ex 60.02	Gloves, mittens and mitts, knitted or crocheted, not elastic or rubberized, obtained by sewing or by the assembly of pieces of knitted or crocheted goods (cut or obtained directly to shape)		Manufacture from yarn (2)

(1) For products composed of two or more textile materials, the conditions shown in this list must also be met in respect of each of the headings under which products of the other textile materials of which the mixed product is composed would be classified. This rule, however, does not apply to any one or more mixed textile materials whose weight does not exceed 10 % of the total weight of textile materials incorporated. This percentage shall be increased:

(i) to 20 % where the product in question is yarn made of polyurethane segmented with flexible segments of polyether, whether or not gimped, falling within heading Nos ex 51.01 and ex 58.07;

(ii) to 30 % where the product in question is yarn of a width not exceeding 5 mm formed of a core consisting either of a thin strip of aluminium or of a film of artificial plastic material whether or not covered with aluminium powder, this core having been inserted and glued by means of a transparent or coloured glue between two films of artificial plastic material.

(2) Trimmings and accessories used (excluding linings and interlining) which change tariff heading do not remove the originating status of the product obtained if their weight does not exceed 10% of the total weight of all the textile materials incorporated.

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
ex 60.03	Stockings, under stockings, socks, anklesocks, sockettes and the like, knitted or crocheted, not elastic or rubberized, obtained by sewing or by the assembly of pieces of knitted or crocheted goods (cut or obtained directly to shape)		Manufacture from yarn (1)
ex 60.04	Under garments, knitted or crocheted, not elastic or rubberized, obtained by sewing or by the assembly of pieces of knitted or crocheted goods (cut or obtained directly to shape)		Manufacture from yarn (1)
ex 60.05	Outer garments and other articles, knitted or crocheted, not elastic or rubberized, obtained by sewing or by the assembly of pieces of knitted or crocheted goods (cut or obtained directly to shape)		Manufacture from yarn (1)
ex 60.06	Other articles, knitted or crocheted, elastic or rubberized (including elastic knee-caps and elastic stockings), obtained by sewing or by the assembly of pieces of knitted or crocheted goods (cut or obtained directly to shape)		Manufacture from yarn (1)
61.01	Men's and boys' outer garments		Manufacture from yarn (1) (2)
ex 61.01	Fire resistant equipment of cloth covered by foil of aluminized polyester		Manufacture from uncoated cloth of which the value does not exceed 40% of the value of the finished product (1) (2)
ex 61.02	Women's, girls' and infants' outer garments, not embroidered		Manufacture from yarn (1) (2)
ex 61.02	Fire resistant equipment of cloth covered by foil of aluminized polyester		Manufacture from uncoated cloth of which the value does not exceed 40% of the value of the finished product (1) (2)
ex 61.02	Women's, girls' and infants' outer garments, embroidered		Manufacture from fabrics, not embroidered, the value of which does not exceed 40 % of the value of the finished product (1)

(1) Trimmings and accessories used (excluding linings and interlining) which change tariff heading do not remove the originating status of the product obtained if their weight does not exceed 10 % of the total weight of all the textile materials incorporated.

(2) These provisions do not apply where the products are obtained from printed fabric in accordance with the conditions shown in List B.

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
61.03	Men's and boys' under garments, including collars, shirt fronts and cuffs		Manufacture from yarn (1) (2)
61.04	Women's, girls' and infants' under garments		Manufacture from yarn (1) (2)
ex 61.05	Handkerchiefs, not embroidered		Manufacture from unbleached single yarn (1) (2) (3)
ex 61.05	Handkerchiefs, embroidered		Manufacture from fabrics, not embroidered, the value of which does not exceed 40% of the value of the finished product (1)
ex 61.06	Shawls, scarves, mufflers, mantillas, veils and the like, not embroidered		Manufacture from unbleached single yarn of natural textile fibres or discontinuous man-made fibres or their waste, or from chemical products or textile pulp (1) (2)
ex 61.06	Shawls, scarves, mufflers, mantillas, veils and the like, embroidered		Manufacture from fabrics, not embroidered, the value of which does not exceed 40% of the value of the finished product (1)
61.07	Ties, bow ties and cravats		Manufacture from yarn (1) (2)
ex 61.08	Collars, tuckers, fallals, bodice-fronts, jabots, cuffs, flounces, yokes and similar accessories and trimmings for women's and girls' garments, not embroidered		Manufacture from yarn (1) (2)
ex 61.08	Collars, tuckers, fallals, bodice-fronts, jabots, cuffs, flounces, yokes and similar accessories and trimmings for women's and girls' garments, embroidered		Manufacture from fabrics, not embroidered, the value of which does not exceed 40% of the value of the finished product (1)
61.09	Corsets, corset-belts, suspender-belts, brassières, braces, suspenders, garters and the like (including such articles of knitted or crocheted fabric), whether or not elastic		Manufacture from yarn (1) (2)
61.10	Gloves, mittens, mitts, stockings, socks and sockettes, not being knitted or crocheted goods		Manufacture from yarn (1) (2)

(1) Trimmings and accessories used (excluding linings and interlining) which change tariff heading do not remove the originating status of the product obtained if their weight does not exceed 10 % of the total weight of all the textile materials incorporated.

(2) These provisions do not apply where the products are obtained from printed fabric in accordance with the conditions shown in List B.

(3) For products obtained from two or more textile materials, this rule does not apply to one or more of the mixed textile materials if its or their weight does not exceed 10 % of the total weight of all the textile materials incorporated.

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
ex 61.10	Fire resistant equipment of cloth covered by foil of aluminized polyester		Manufacture from uncoated cloth of which the value does not exceed 40% of the value of the finished product (1) (2)
61.11	Made up accessories for articles of apparel (for example, dress shields, shoulder and other pads, belts, muffs, sleeve protectors, pockets)		Manufacture from yarn (1) (2)
62.01	Travelling rugs and blankets		Manufacture from unbleached yarn of Chapters 50 to 56 (2) (3)
ex 62.02	Bed linen, table linen, toilet linen and kitchen linen; curtains and other furnishing articles; not embroidered		Manufacture from unbleached single yarn (2) (3)
ex 62.02	Bed linen, table linen, toilet linen and kitchen linen; curtains and other furnishing articles; embroidered		Manufacture from fabrics, not embroidered, the value of which does not exceed 40% of the value of the finished product
62.03	Sacks and bags, of a kind used for the packing of goods		Manufacture from chemical products, textile pulp or from natural textile fibres, discontinuous man-made fibres or their waste (2) (3)
62.04	Tarpaulins, sails, awnings, sun-blinds, tents and camping goods		Manufacture from single unbleached yarn (2) (3)
62.05	Other made up textile articles (including dress patterns)		Manufacture in which the value of the products used does not exceed 40% of the value of the finished product
64.01	Footwear with outer soles and uppers of rubber or artificial plastic material	Manufacture from assemblies of uppers affixed to inner soles or to other sole components, but without outer soles, of any material except metal	

(1) Trimmings and accessories used (excluding linings and interlining) which change tariff heading do not remove the originating status of the product obtained if their weight does not exceed 10 % of the total weight of all the textile materials incorporated.

(2) These provisions do not apply where the products are obtained from printed fabric in accordance with the conditions shown in List B.

(3) For products obtained from two or more textile materials, this rule does not apply to one or more of the mixed textile materials if its or their weight does not exceed 10 % of the total weight of all the textile materials incorporated.

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
64.02	Footwear with outer soles of leather or composition leather; footwear (other than footwear falling within heading No 64.01) with outer soles of rubber or artificial plastic material	Manufacture from assemblies of uppers affixed to inner soles or to other sole components, but without outer soles, of any material except metal	
64.03	Footwear with outer soles of wood or cork	Manufacture from assemblies of uppers affixed to inner soles or to other sole components, but without outer soles, of any material except metal	
64.04	Footwear with outer soles of other materials	Manufacture from assemblies of uppers affixed to inner soles or to other sole components, but without outer soles, of any material except metal	
65.03	Felt hats and other felt headgear, being headgear made from the felt hoods and plateaux falling within heading No 65.01, whether or not lined or trimmed		Manufacture from textile fibres
65.05	Hats and other headgear (including hair nets), knitted or crocheted, or made up from lace, felt or other textile fabric in the piece (but not from strips), whether or not lined or trimmed		Manufacture either from yarn or from textile fibres
66.01	Umbrellas and sunshades (including walking-stick umbrellas, umbrella tents, and garden and similar umbrellas)		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
ex 70.07	Cast, rolled, drawn or blown glass (including flashed or wired glass) cut to shape other than rectangular shape, or bent or otherwise worked (for example, edge worked or engraved) whether or not surface ground or polished; multiple-walled insulating glass	Manufacture from drawn, cast or rolled glass of heading Nos 70.04 to 70.06	

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
70.08	Safety glass consisting of toughened or laminated glass, shaped or not	Manufacture from drawn, cast or rolled glass of heading Nos 70.04 to 70.06	
70.09	Glass mirrors (including rear-view mirrors), unframed, framed or backed	Manufacture from drawn, cast or rolled glass of heading Nos 70.04 to 70.06	
71.15	Articles consisting of, or incorporating, pearls, precious or semi-precious stones (natural, synthetic or reconstructed)		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product (1)
73.07	Blooms, billets, slabs and sheet bars (including tinplate bars) of iron or steel; pieces roughly shaped by forging, of iron or steel	Manufacture from products of heading No 73.06	
73.08	Iron or steel coils re-rolling	Manufacture from products of heading No 73.07	
73.09	Universal plates of iron or steel	Manufacture from products of heading No 73.07 or 73.08	
73.10	Bars and rods (including wire rod), of iron or steel, hot-rolled, forged, extruded, cold-formed or cold-finished (including precision-made); hollow mining drill steel	Manufacture from products of heading No 73.07	
73.11	Angles, shapes and sections, of iron or steel, hot-rolled, forged, extruded, cold-formed or cold-finished; sheet piling of iron or steel, whether or not drilled, punched or made from assembled elements	Manufacture from products of heading Nos 73.07 to 73.10, 73.12 or 73.13	
73.12	Hoop and strip, of iron or steel, hot-rolled or cold-rolled	Manufacture from products of heading Nos 73.07 to 73.09 or 73.13	
73.13	Sheets and plates, of iron or steel, hot-rolled or cold-rolled	Manufacture from products of heading Nos 73.07 to 73.09	
73.14	Iron or steel wire, whether or not coated, but not insulated	Manufacture from products of heading No 73.10	

(1) These provisions do not apply where the products are obtained from products which have acquired the status of originating products in accordance with the conditions laid down in List B.

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
73.16	Railway and tramway track construction material of iron or steel, the following: rails, check-rails, switch blades, crossings (or frogs), crossing pieces, point rods, rack rails, sleepers, fish-plates, chairs, chair wedges, sole plates (base plates), rail clips, bed-plates, ties and other material specialized for joining or fixing rails		Manufacture from products of heading No 73.06
73.18	Tubes and pipes and blanks therefor, of iron (other than of cast iron) or steel, excluding high-pressure hydro-electric conduits		Manufacture from products of heading Nos 73.06 and 73.07 or heading No 73.15 in the forms specified in heading Nos 73.06 and 73.07
74.03	Wrought bars, rods, angles, shapes and sections, of copper; copper wire		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product (1)
74.04	Wrought plates, sheets and strip, of copper		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product (1)
74.05	Copper foil (whether or not embossed, cut to shape, perforated, coated, printed, or backed with paper or other reinforcing material), of a thickness (excluding any backing) not exceeding 0·15 mm		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product (1)
74.06	Copper powder and flakes		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product (1)
74.07	Tubes and pipes and blanks therefor, of copper; hollow bars of copper		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product (1)
74.08	Tube and pipe fittings (for example, joints, elbows, sockets and flanges), of copper		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product (1)

(1) These provisions do not apply where the products are obtained from products which have acquired the status of originating products in accordance with he conditions laid down in List B.

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
74.09	Reservoirs, tanks, vats and similar containers, for any material (other than compressed or liquified gas), of copper, of a capacity exceeding 300 litres, whether or not lined or heat-insulated, but not fitted with mechanical or thermal equipment		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product (1)
74.10	Stranded wire, cables, cordage, ropes, plaited bands and the like, of copper wire, but excluding insulated electric wires and cables		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product (1)
74.11	Gauze, cloth, grill, netting, fencing, reinforcing fabric and similar materials (including endless bands), of copper wire		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product (1)
74.12	Expanded metal, of copper		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product (1)
74.13	Chain and parts thereof, of copper		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product (1)
74.14	Nails, tacks, staples, hook-nails, spiked cramps, studs, spikes and drawing pins, of copper, or of iron or steel with heads of copper		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product (1)
74.15	Bolts and nuts (including bolt ends and screw studs), whether or not threaded or tapped, and screws (including screw hooks and screw rings), of copper; rivets, cotters, cotter-pins, washers and spring washers, of copper		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product (1)
74.16	Springs, of copper		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product (1)
74.17	Cooking and heating apparatus of a kind used for domestic purposes, not electrically operated, and parts thereof, of copper		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product (1)

(1) These provisions do not apply where the products are obtained from products which have acquired the status of originating products in accordance with the conditions laid down in List B.

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
74.18	Other articles of a kind commonly used for domestic purposes, sanitary ware for indoor use, and parts of such articles and ware, of copper		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product (1)
74.19	Other articles of copper		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product (1)
75.02	Wrought bars, rods, angles, shapes and sections, of nickel; nickel wire		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product (1)
75.03	Wrought plates, sheets and strip, of nickel; nickel foil; nickel powders and flakes		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product (1)
75.04	Tubes and pipes and blanks therefor, of nickel; hollow bars, and tube and pipe fittings (for example, joints, elbows, sockets and flanges), of nickel		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product (1)
75.05	Electro-plating anodes, of nickel, wrought or unwrought, including those produced by electrolysis		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product (1)
75.06	Other articles of nickel		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product (1)
76.02	Wrought bars, rods, angles, shapes and sections, of aluminium; aluminium wire		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
76.03	Wrought plates, sheets and strip, of aluminium		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
76.04	Aluminium foil (whether or not embossed, cut to shape, perforated, coated, printed, or backed with paper or other reinforcing material), of a thickness (excluding any backing) not exceeding 0·20 mm		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product

(1) These provisions do not apply where the products are obtained from products which have acquired the status of originating products in accordance with the conditions laid down in List B.

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
76.05	Aluminium powders and flakes		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
76.06	Tubes and pipes and blanks therefor, of aluminium; hollow bars of aluminium		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
76.07	Tube and pipe fittings (for example, joints, elbows, sockets and flanges), of aluminium		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
76.08	Structures, complete or incomplete, whether or not assembled, and parts of structures (for example, hangars and other buildings, bridges and bridge-sections, towers, lattice masts, roofs, roofing frameworks, door and window frames, balustrades, pillars and columns), of aluminium; plates, rods, angles, shapes, sections, tubes and the like, prepared for use in structures, of aluminium		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
76.09	Reservoirs, tanks, vats and similar containers, for any material (other than compressed or liquified gas), of aluminium, of a capacity exceeding 300 litres, whether or not lined or heat insulated, but not fitted with mechanical or thermal equipment		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
76.10	Casks, drums, cans, boxes and similar containers (including rigid and collapsible tubular containers), of aluminium, of a description commonly used for the conveyance or packing of goods		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
76.11	Containers of aluminium for compressed or liquified gas		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
76.12	Stranded wire, cables, cordage, ropes, plaited bands and the like, of aluminium wire, but excluding insulated electric wires and cables		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
76.13	Gauze, cloth, grill, netting, reinforcing fabric and similar materials, of aluminium wire		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
76.14	Expanded metal, of aluminium		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
76.15	Articles of a kind commonly used for domestic purposes, sanitary ware for indoor use, and parts of such articles and ware, of aluminium		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
76.16	Other articles of aluminium		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
77.02	Wrought bars, rods, angles, shapes and sections, of magnesium; magnesium wire; wrought plates, sheets and strip, of magnesium; magnesium foil; raspings and shavings of uniform size, powders and flakes, of magnesium; tubes and pipes and blanks therefor, of magnesium; hollow bars of magnesium		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
77.03	Other articles of magnesium		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
78.02	Wrought bars, rods, angles, shapes and sections, of lead; lead wire		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product (1)
78.03	Wrought plates, sheets and strip, of lead		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product (1)
78.04	Lead foil (whether or not embossed, cut to shape, perforated, coated, printed, or backed with paper or other reinforcing material), of a weight (excluding any backing) not exceeding 1·7 kg/m²; lead powders and flakes		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product (1)
78.05	Tubes and pipes and blanks therefor, of lead; hollow bars and tube and pipe fittings (for example, joints, elbows, sockets, flanges and S-bends)		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product (1)

(1) These provisions do not apply where the products are obtained from products which have acquired the status of originating products in accordance with the conditions laid down in List B.

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
78.06	Other articles of lead		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product (1)
79.02	Wrought bars, rods, angles, shapes and sections, of zinc; zinc wire		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
79.03	Wrought plates, sheets and strip, of zinc; zinc foil; zinc powders and flakes		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
79.04	Tubes and pipes and blanks therefor, of zinc; hollow bars, and tube and pipe fittings (for example, joints, elbows, sockets and flanges), of zinc		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
79.05	Gutters, roof capping, skylight frames, and other fabricated building components, of zinc		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
79.06	Other articles of zinc		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
80.02	Wrought bars, rods, angles, shapes and sections, of tin; tin wire		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
80.03	Wrought plates, sheets and strip, of tin		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
80.04	Tin foil (whether or not embossed, cut to shape, perforated, coated, printed, or backed with paper or other reinforcing material), of a weight (excluding any backing) not exceeding 1 kg/m^2; tin powders and flakes		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product

(1) These provisions do not apply where the products are obtained from products which have acquired the status of originating products in accordance with the conditions laid down in List B.

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
80.05	Tubes and pipes and blanks therefor, of tin; hollow bars, and tube and pipe fittings (for example, joints, elbows, sockets and flanges), of tin		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product
82.05	Interchangeable tools for hand tools, for machine tools or for power-operated hand tools (for example, for pressing, stamping, drilling, tapping, threading, boring, broaching, milling, cutting, turning, dressing, morticing or screwdriving), including dies for wire drawing, extrusion dies for metal, and rock drilling bits		Working, processing or assembly in which the value of the materials and parts used does not exceed 40% of the value of the finished product (1)
82.06	Knives and cutting blades, for machines or for mechanical appliances		Working, processing or assembly in which the value of the materials and parts used does not exceed 40% of the value of the finished product (1)
ex Chapter 84	Boilers, machinery and mechanical appliances and parts thereof, excluding refrigerators and refrigerating equipment (electrical and other) (No 84.15) and sewing machines, including furniture specially designed for sewing machines (ex No 84.41)		Working, processing or assembly in which the value of the materials and parts used does not exceed 40 % of the value of the finished product
84.15	Refrigerators and refrigerating equipment (electrical and other)		Working, processing or assembly in which the value of the non-originating materials and parts used does not exceed 40% of the value of the finished product, and provided that at least 50% in value of the materials and parts (2) used are originating products

(1) These provisions do not apply where the products are obtained from products which have acquired the status of originating products in accordance with the conditions laid down in List B.

(2) In determining the value of products, materials and parts, the following must be taken into account:

(a) in respect of originating products, materials and parts, the first verifiable price paid, in case of sale, for the said products on the territory of the country where working, processing or assembly is carried out;

(b) in respect of products, materials and parts other than those referred to under (a), the provisions of Article 4 of Annex II determining:

(i) the value of imported products,

(ii) the value of products of undetermined origin.

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
ex 84.41	Sewing machines, including furniture for sewing machines		Working, processing or assembly in which the value of the non-originating materials and parts used does not exceed 40% of the value of the finished product, and provided that: (a) at least 50% in value of the materials and parts (1) used for the assembly of the head (motor excluded) are originating products, and (b) the thread tension, crochet and zigzag mechanisms are originating products
ex Chapter 85	Electrical machinery and equipment; parts thereof; excluding products of heading No 85.14 or 85.15		Working, processing or assembly in which the value of the non-originating material and parts used does not exceed 40% of the value of the finished product
85.14	Microphones and stands therefor; loudspeakers; audio-frequency electric amplifiers		Working, processing or assembly in which the value of the non-originating materials and parts used does not exceed 40% of the value of the finished product, and provided that: (a) at least 50% in value of the materials and parts (1) used are originating products, and (b) the value of the non-originating transistors used does not exceed 3% of the value of the finished product (2)

(1) In determining the value of products, materials and parts, the following must be taken into account:
(a) in respect of originating products, materials and parts, the first verifiable price paid in case of sale, for the said products on the territory of the country where working, processing or assembly is carried out;
(b) in respect of products, materials and parts, other than those referred to under (a), the provisions of Article 4 of Annex II determining:
(i) the value of imported products,
(ii) the value of products of undetermined origin.

(2) This percentage is not cumulative with the 40%.

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
85.15	Radiotelegraphic and radiotelephonic transmission and reception apparatus; radiobroadcasting and television transmission and reception apparatus (including receivers incorporating sound recorders or reproducers) and television cameras; radio navigational aid apparatus, radar apparatus and radio remote control apparatus		Working, processing or assembly in which the value of the non-originating materials and parts used does not exceed 40% of the value of the finished product, and provided that: (a) at least 50% in value of the materials and parts (1) used are originating products, and (b) the value of the non-originating transistors used does not exceed 3% of the value of the finished product (2)
Chapter 86	Railway and tramway locomotives, rolling-stock and parts thereof; railway and tramway track fixtures and fittings; traffic signalling equipment of all kinds (not electrically powered)		Working, processing or assembly in which the value of the materials and parts used does not exceed 40% of the value of the finished product
ex Chapter 87	Vehicles, other than railway or tramway rolling-stock, and parts thereof, excluding products of heading No 87.09		Working, processing or assembly in which the value of the materials and parts used does not exceed 40% of the value of the finished product
87.09	Motor-cycles, autocycles and cycles fitted with an auxiliary motor, with or without side-cars; side-cars of all kinds		Working, processing or assembly in which the value of the non-originating materials and parts used does not exceed 40% of the finished product, and provided that at least 50% in value of the materials and parts (1) used are originating products
ex Chapter 90	Optical, photographic cinematographic, measuring, checking, precision, medical and surgical instruments and apparatus and parts thereof, excluding products of heading No 90.05, 90.07, 90.08, 90.12 or 90.26		Working, processing or assembly in which the value of the materials and parts used does not exceed 40% of the value of the finished product

(1) In determining the value of products, materials and parts, the following must be taken into account:
(a) in respect of originating products, materials and parts, the first verifiable price paid, in case of sale, for the said products on the territory of the country where working, processing or assembly is carried out;
(b) in respect of products, materials and parts, other than those referred to under (a), the provisions of Article 4 of Annex II determining:
(i) the value of imported products,
(ii) the value of products of undetermined origin.

(2) This percentage is not cumulative with the 40%.

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
90.05	Refracting telescopes (monocular and binocular), prismatic or not		Working, processing or assembly in which the value of the non-originating materials and parts used does not exceed 40% of the value of the finished product, and provided that at least 50% in value of the materials and parts (1) used are originating products
90.07	Photographic cameras; photographic flashlight apparatus		Working, processing or assembly in which the value of the non-originating materials and parts used does not exceed 40% of the value of the finished product, and provided that at least 50% in value of the materials and parts (1) used are originating products
90.08	Cinematographic cameras projectors, sound recorders and sound reproducers; any combination of these articles		Working, processing or assembly in which the value of the non-originating materials and parts used does not exceed 40% of the value of the finished product, and provided that at least 50% in value of the materials and parts (1) used are originating products
90.12	Compound optical microscopes, whether or not provided with means for photographing or projecting the image		Working, processing or assembly in which the value of the non-originating materials and parts used does not exceed 40% of the value of the finished product, and provided that at least 50% in value of the materials and parts (1) used are originating products
90.26	Gas, liquid and electricity supply or production meters; calibrating meters therefor		Working, processing or assembly in which the value of the non-originating materials and parts used does not exceed 40% of the value of the finished product, and provided that at least 50 % in value of the materials and parts (1) used are originating products

(1) In determining the value of products, materials and parts, the following must be taken into account:

(a) in respect of originating products, materials and parts, the first verifiable price paid, in case of sale, for the said products on the territory of the country where working, processing or assembly is carried out:

(b) in respect of products, materials and parts, other than those referred to under (a), the provisions of Article 4 of Annex II determining:

(i) the value of imported products,

(ii) the value of products of undetermined origin.

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
ex Chapter 91	Clocks and watches and parts thereof, excluding products of heading No 91.04 or 91.08		Working, processing or assembly in which the value of the materials and parts used does not exceed 40% of the value of the finished product
91.04	Other clocks		Working, processing or assembly in which the value of the non-originating materials and parts used does not exceed 40% of the value of the finished product, and provided that at least 50% in value of the materials and parts (1) used are originating products
91.08	Clock movements, assembled		Working, processing or assembly in which the value of the non-originating materials and parts used does not exceed 40% of the value of the finished product, and provided that at least 50% in value of the materials and parts (1) used are originating products
ex Chapter 92	Musical instruments; sound recorders and reproducers; television image and sound recorders and reproducers, magnetic; parts and accessories of such articles; excluding products of heading No 92.11		Working, processing or assembly in which the value of the non-originating materials and parts used does not exceed 40% of the value of the finished product
92.11	Gramophones, dictating machines and other sound recorders and reproducers, including record players and tape decks, with or without sound-heads; television image and sound recorders and reproducers, magnetic		Working, processing or assembly in which the value of the non-originating materials and parts used does not exceed 40% of the value of the finished product, and provided that: (a) at least 50% in value of the materials and parts (1) used are originating products, and (b) the value of the non-originating transistors used does not exceed 3% of the value of the finished product (2)

(1) In determining the value of products, materials and parts, the following must be taken into account:
(a) in respect of originating products, materials and parts, the first verifiable price paid, in case of sale, for the said products on the territory of the country where working, processing or assembly is carried out;
(b) in respect of products, materials and parts, other than those referred to under (a), the provisions of Article 4 of Annex II determining:
(i) the value of imported products,
(ii) the value of products of undetermined origin.

(2) This percentage is not cumulative with the 40 %.

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
Chapter 93	Arms and ammunition; parts thereof		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
96.02	Other brooms and brushes (including brushes of a kind used as parts of machines); paint rollers; squeegees (other than roller squeegees) and mops		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
97.03	Other toys; working models of a kind used for recreational purposes		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
98.01	Buttons and button moulds, studs, cuff-links, and press-fasteners, including snap fasteners and press-studs; blanks and parts of such articles		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
98.08	Typewriter and similar ribbons, whether or not on spools; ink-pads, with or without boxes		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product

Annex 3 to Annex II

LIST B

List of working or processing operations which do not result in a change of tariff heading, but which do confer the status of 'originating products' on the products undergoing such operations

Finished products		Working or processing that confers the status of originating products
CCT heading No	Description	
		Incorporation of non-originating materials and parts in boilers, machinery, mechanical appliances, etc., of Chapters 84 to 92 in boilers and radiators of heading No 73.37 and in the products contained in heading Nos 97.07 and 98.03 does not make such products lose their status of originating products, provided that the value of these products does not exceed 5% of the value of the finished product
13.02	Shellac, seed lac, stick lac and other lacs; natural gums, resins, gum-resins and balsams	Working, processing or assembly in which the value of the non-originating materials and parts used does not exceed 50% of the value of the finished product
ex 15.10	Fatty alcohols	Manufacture from fatty acids
ex 21.03	Prepared mustard	Manufacture from mustard flour
ex 22.09	Whisky of an alcoholic strength of less than 50°	Manufacture from alcohol deriving exclusively from the distillation of cereals and in which the value of the non-originating constituent products does not exceed 15% of the value of the manufactured product
ex 25.09	Earth colours, calcined or powdered	Crushing and calcination or powdering of earth colours
ex 25.15	Marble squared by sawing, of a thickness not exceeding 25 cm	Sawing into slabs or sections, polishing, grinding and cleaning of marble, including marble not further worked than roughly split, roughly squared or squared by sawing, of a thickness exceeding 25 cm
ex 25.16	Granite, porphyry, basalt, sandstone and other monumental and building stone, squared by sawing, of a thickness not exceeding 25 cm	Sawing of granite, porphyry, basalt, sandstone and other building stone, including such stone not further worked than roughly split, roughly squared or squared by sawing, of a thickness exceeding 25 cm
ex 25.18	Calcined dolomite; agglomerated dolomite (including tarred dolomite)	Calcination of unworked dolomite
ex Chapters 28 to 37	Products of the chemical and allied industries excluding calcined, crushed and powdered natural aluminium calcium phosphates, treated thermically (ex 31.03) and essential oils other than of citrus fruit, terpeneless (ex 33.01)	Working or processing in which the value of the non-originating products used does not exceed 20% of the value of the finished product

Finished products		Working or processing that confers the status of originating products
CCT heading No	Description	
ex 31.03	Calcined, crushed and powdered natural aluminium calcium phosphates, treated thermically	Crushing and powdering of calcined natural aluminium calcium phosphates, treated thermically
ex 33.01	Essential oils, other than of citrus fruit, terpeneless	Deterpenation of essential oils other than of citrus fruit
ex Chapter 38	Miscellaneous chemical products, other than refined tall oil (ex 38.05) and sulphate turpentine refined (ex 38.07)	Working or processing in which the value of the non-originating materials used does not exceed 20% of the value of the finished product
ex 38.05	Refined tall oil	Refining of crude tall oil
ex 38.07	Sulphate turpentine, purified	Purification consisting of the distillation or refining of raw sulphate turpentine
ex Chapter 39	Artificial plastic materials, cellulose ethers and esters, artificial resins and articles made of these materials, excepting films of ionomers (ex 39.02)	Working or processing in which the value of the non-originating materials used does not exceed 20% of the value of the finished product
ex 39.02	Ionomer film	Manufacture from a thermoplastic partial salt which is a copolymer of ethylene and metacrylic acid partly neutralized with metal ions, mainly zinc and sodium
ex 40.01	Slabs of crepe rubber for soles	Lamination of crepe sheets of natural rubber
ex 40.07	Rubber thread and cord, textile-covered	Manufacture from rubber thread or cord
ex 41.01	Sheep and lambskins without the wool	Removing wool from sheep and lambskins in the wool
ex 41.02	Retanned bovine cattle leather (including buffalo leather) and equine leather, except leather of heading Nos 41.06 to 41.08	Retanning of bovine cattle leather (including buffalo leather) and equine leather, not further prepared than tanned
ex 41.03	Retanned sheep and lambskin leather, except leather of heading Nos 41.06 to 41.08	Retanning of sheep and lambskin leather, not further prepared than tanned
ex 41.04	Retanned goat and kidskin leather, except leather of heading Nos 41.06 to 41.08	Retanning of goat and kidskin leather, not further prepared than tanned
ex 41.05	Other kinds of retanned leather, except leather of heading Nos 41.06 to 41.08	Retanning of other kinds of leather, not further prepared than tanned
ex 43.02	Assembled furskins	Bleaching, dyeing, dressing, cutting and assembling of tanned or dressed furskins
ex 50.03	Silk waste carded or combed	Carding or combing waste silk

Finished products		Working or processing that confers the status of originating products
CCT heading No	Description	
ex 50.09 ex 50.10 ex 51.04 ex 53.11 ex 53.12 ex 53.13 ex 54.05 ex 55.07 ex 55.08 ex 55.09 ex 56.07	Printed fabrics	Printing accompanied by finishing operations (bleaching, dressing, drying, steaming, burling, mending, impregnating, sanforizing, mercerizing) of fabrics the value of which does not exceed 47·5% of the value of the finished product
ex 59.14	Incandescent gas mantles	Manufacture from tubular gas mantle fabric
ex 68.03	Articles of slate, including articles of agglomerated slate	Manufacture of articles of slate
ex 68.13	Articles of asbestos; articles of mixtures with a basis of asbestos or of mixtures with a basis of asbestos and magnesium carbonate	Manufacture of articles of asbestos or of mixtures with a basis of asbestos, or of mixtures with a basis of asbestos and magnesium carbonate
ex 68.15	Articles of mica, including bonded mica splittings on a support of paper or fabric	Manufacture of articles of mica
ex 70.10	Cut-glass bottles	Cutting of bottles the value of which does not exceed 50% of the value of the finished product
70.13	Glassware (other than articles falling in heading No 70.19) of a kind commonly used for table, kitchen, toilet or office purposes, for indoor decoration, or similar uses	Cutting of glassware the value of which does not exceed 50% of the value of the finished product or decoration, with the exception of silk-screen printing, carried out entirely by hand, of hand-blown glassware the value of which does not exceed 50% of the value of the finished product
ex 70.20	Articles made from glass fibre	Manufacture from unworked glass fibre
ex 71.02	Precious and semi-precious stones, cut or otherwise worked, but not mounted, set or strung (except ungraded stones temporarily strung for convenience of transport)	Manufacture from unworked precious and semi-precious stones
ex 71.03	Synthetic or reconstructed precious or semi-precious stones, cut or otherwise worked, but not mounted, set or strung (except ungraded stones temporarily strung for convenience of transport)	Manufacture from unworked synthetic or reconstructed precious or semi-precious stones
ex 71.05	Silver and silver alloys, including silver gilt and platinum-plated silver, semi-manufactured	Rolling, drawing, beating or grinding of unwrought silver and silver alloys
ex 71.05	Silver, including silver gilt and platinum-plated silver, unwrought	Alloying or electrolytic separation of unwrought silver and silver alloys

Finished products		Working or processing that confers the status of originating products
CCT heading No	Description	
ex 71.06	Rolled silver, semi-manufactured	Rolling, drawing, beating or grinding of unwrought rolled silver
ex 71.07	Gold, including platinum-plated gold, semi-manufactured	Rolling, drawing, beating or grinding of unwrought gold, including platinum-plated gold
ex 71.07	Gold, including platinum-plated gold, unwrought	Alloying or electrolytic separation of unwrought gold or gold alloys
ex 71.08	Rolled gold on base metal or silver, semi-manufactured	Rolling, drawing, beating or grinding of unwrought rolled gold on base metal or silver
ex 71.09	Platinum and other metals of the platinum group, semi-manufactured	Rolling, drawing, beating or grinding of unwrought platinum or other metals of the platinum group
ex 71.09	Platinum and other metals of the platinum group, unwrought	Alloying or electrolytic separation of unwrought platinum or other metals of the platinum group
ex 71.10	Rolled platinum or other platinum group metals, on base metal or precious metal, semi-manufactured	Rolling, drawing, beating or grinding of unwrought rolled platinum or other unwrought platinum group metals or precious metal
ex 73.15	Alloy steel and high carbon steel:	
	— in the forms mentioned in heading Nos 73.07 to 73.13	Manufacture from products in the forms mentioned in heading No 73.06
	— in the forms mentioned in heading No 73.14	Manufacture from products in the forms mentioned in heading No 73.06 or 73.07
ex 74.01	Unrefined copper (blister copper and other)	Smelting of copper matte
ex 74.01	Refined copper	Fire-refining or electrolytic refining of unrefined copper (blister copper and other), copper waste or scrap
ex 74.01	Copper alloy	Fusion and thermal treatment of refined copper, copper waste or scrap
ex 75.01	Unwrought nickel (excluding electro-plating anodes of heading No 75.05)	Refining by electrolysis, by fusion or chemically, of nickel mattes, nickel speiss and other intermediate products of nickel metallurgy
ex 75.01	Unwrought nickel except nickel alloys	Refining of waste by electrolysis, by melting or by chemical means of waste and scrap

Finished products		Working or processing that confers the status of originating products
CCT heading No	Description	
ex 76.01	Unwrought aluminium	Manufacture by thermal or electrolytic treatment of unalloyed aluminium, waste and scrap
ex 77.04	Beryllium wrought	Rolling, drawing or grinding of unwrought beryllium the value of which does not exceed 50% of the value of the finished product
ex 78.01	Refined lead	Manufacture by thermal refining from bullion lead
ex 81.01	Tungsten, wrought	Manufacture from unwrought tungsten the value of which does not exceed 50% of the value of the finished product
ex 81.02	Molybdenum, wrought	Manufacture from unwrought molybdenum the value of which does not exceed 50% of the value of the finished product
ex 81.03	Tantalum, wrought	Manufacture from unwrought tantalum the value of which does not exceed 50% of the value of the finished product
ex 81.04	Other base metals, wrought	Manufacture from other base metals, unwrought the value of which does not exceed 50% of the value of the finished product
ex 83.06	Indoor ornaments made from base metals other than statuettes	Working or processing in which the value of the non-originating materials used does not exceed 30% of the value of the finished product
84.06	Internal combustion piston engines	Working, processing or assembly in which the value of the materials and parts used does not exceed 40% of the value of the finished product
ex 84.08	Engines and motors, excluding reaction engines and gas turbines	Working, processing or assembly in which the value of the non-originating materials and parts used does not exceed 40% of the value of the finished product, and provided that at least 50% in value of the materials and parts (1) used are originating products
84.16	Calendering and similar rolling machines (other than metal-working and metal-rolling machines and glass working machines) and cylinders thereof	Working, processing or assembly in which the value of the non-originating materials and parts used does not exceed 25% of the value of the finished product

(1) In determining the value of products, materials and parts, the following must be taken into account:
(a) in respect of originating products, materials and parts, the first verifiable price paid, or the price which would be paid in case of sale, for the said products on the territory of the country where working, processing or assembly is carried out;
(b) in respect of other products, materials and parts, the provisions of Article 4 of Annex II determining:
(i) the value of imported products,
(ii) the value of products of undetermined origin.

Finished products		Working or processing that confers the status of originating products
CCT heading No	Description	
ex 84.17	Machinery, plant and similar laboratory equipment, whether or not electrically heated, for the treatment of materials by a process involving a change of temperature, for wood, paper pulp, paper and paperboard manufacturing industries	Working, processing or assembly in which the value of the non-originating materials and parts used does not exceed 25% of the value of the finished product
84.31	Machinery for making or finishing cellulosic pulp, paper or paperboard	Working, processing or assembly in which the value of the non-originating materials and parts used does not exceed 25% of the value of the finished product
84.33	Paper or paperboard cutting machines of all kinds; other machinery for making up paper pulp, paper or paperboard	Working, processing or assembly in which the value of the non-originating materials and parts used does not exceed 25% of the value of the finished product
ex 84.41	Sewing machines, including furniture specially designed for sewing machines	Working, processing or assembly in which the value of the non-originating materials and parts used does not exceed 40% of the value of the finished product, and provided that: (a) at least 50% of the materials and parts (1) used for assembly of the head (motor excluded) are originating products, and (b) the thread tension, crochet and zigzag mechanisms are originating products
85.14	Microphones and stands therefor; loudspeakers; audiofrequency electric amplifiers	Working, processing or assembly in which the value of the non-originating materials and parts used does not exceed 40% of the value of the finished product and provided that at least 50% of the materials and parts used are originating products (2)
85.15	Radiotelegraphic and radiotelephonic transmission and reception apparatus; radio, broadcasting and television transmission and reception apparatus (including receivers incorporating sound recorders or reproducers) and television cameras; radio navigational aid apparatus, radar apparatus and radio remote control apparatus	Working, processing or assembly in which the value of the non-originating materials and parts used does not exceed 40% of the value of the finished product and provided that at least 50% of the materials and parts used are originating products (2)
87.06	Parts and accessories of the motor vehicles of heading Nos 87.01 to 87.03	Working, processing or assembly in which the value of the materials and parts used does not exceed 15% of the value of the finished product

(1) In determining the value of products, materials and parts, the following must be be taken into account:
(a) in respect of originating products, materials and parts, the first verifiable price paid, in case of sale, for the said products in the territory of the country where working, processing or assembly is carried out;
(b) in respect of products, materials and parts, other than those referred to under (a), the provisions of Article 4 of Annex II determining:
(i) the value of imported products,
(ii) the value of products of undetermined origin.

(2) The application of this rule must not have the effect of allowing the exceeding of the percentage of 3 % for the originating transistors laid down in List A for the same tariff heading.

Finished products		Working or processing that confers the status of originating products
CCT heading No	Description	
ex 94.01	Chairs and other seats (other than those falling within heading No 94.02) whether or not convertible into beds, made of base metals	Working, processing or assembly in which unstuffed cotton cloth is used of a weight of 300 g/m² or less in the form ready to use, of which the value does not exceed 25% of the value of the finished product (1)
ex 94.03	Other furniture of base metal	Working, processing or assembly in which unstuffed cotton cloth is used of a weight of 300 g/m² or less in the form ready to use of which the value does not exceed 25% of the value of the finished product (1)
ex 95.01	Articles of tortoise-shell	Manufacture from worked tortoise-shell
ex 95.02	Articles of mother of pearl	Manufacture from worked mother of pearl
ex 95.03	Articles of ivory	Manufacture from worked ivory
ex 95.04	Articles of bone (excluding whalebone)	Manufacture from worked bone (excluding whalebone)
ex 95.05	Articles of horn, coral (natural or agglomerated) or of other animal carving material	Manufacture from worked horn, coral (natural or agglomerated) or other animal carving material
ex 95.06	Articles of vegetable carving material (for example, corozo)	Manufacture from worked vegetable carving material (for example, corozo)
ex 95.07	Articles of jet (and mineral substitutes for jet), amber, meerschaum, agglomerated amber and agglomerated meerschaum	Manufacture from worked jet (and mineral substitutes for jet), amber, meerschaum, agglomerated amber and agglomerated meerschaum
ex 98.11	Smoking pipes, pipe bowls, of wood, root or other materials	Manufacture from roughly shaped blocks

(1) This rule does not apply when the general rule of change of tariff heading is applied to the other non-originating parts which are part of the composition of the final product.

Annex 4 to Annex II

LIST C

List of products excluded from the scope of Annex II

CCT heading No	Description
ex 27.07	Assimilated aromatic oils as defined in Note 2 to Chapter 27, 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
27.09 to 27.16	Mineral oils and products of their distillation; bituminous substances; mineral waxes
ex 29.01	Hydrocarbons: — acyclic — cyclanes and cyclenes, excluding azulenes — benzene, toluene, xylenes for use as power or heating fuels
ex 34.03	Lubricating preparations containing petroleum oils or oils obtained from bituminous minerals, but not including preparations containing 70 % or more by weight of petroleum oils or of oils obtained from bituminous minerals
ex 34.04	Waxes with a basis of paraffin, of petroleum waxes, of waxes obtained from bituminous minerals, of slack wax or of scale wax
ex 38.14	Prepared additives for lubricants

Annex 5 to Annex II

MOVEMENT CERTIFICATE

1. Exporter (Name, full address, country)

EUR. 1 No **A** 000.000

See notes overleaf before completing this form

2. Certificate used in preferential trade between

.....

and

.....

(insert appropriate countries, groups of countries or territories)

3. Consignee (Name, full address, country) (Optional)

4. Country, group of countries or territory in which the products are considered as originating (1)	5. Country, group of countries or territory of destination

(1) Complete only in cases of exporting country not being identical to the country where the products are originating. In the contrary case, this box has to be struck through.

6. Transport details (Optional)

7. Remarks

8. Item number; marks and numbers; Number and kind of packages (2); Description of goods	9. Gross weight (kg) or other measure (litres, m^3, etc.)	10. Invoices (Optional)

(2) If goods are not packed, indicate number of articles or state 'in bulk' as appropriate.

11. CUSTOMS ENDORSEMENT

Declaration certified

Export document (3)

Stamp

Form ..... No .....

Customs office .....

Issuing country or territory .....

.....

.....

Date .....

.....

(Signature)

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

12. DECLARATION BY THE EXPORTER

I, the undersigned, declare that the goods described above meet the conditions required for the issue of this certificate.

.....

(Place and date)

.....

(Signature)

13. REQUEST FOR VERIFICATION, to	14. RESULT OF VERIFICATION,
	Verification carried out shows that this certificate (1) ☐ was issued by the customs office indicated and that the information contained therein is accurate. ☐ does not meet the requirements as to authenticity and accuracy (see remarks appended).
Verification of the authenticity and accuracy of this certificate is requested. ..... (Place and date) Stamp ..... (Signature)	..... (Place and date) Stamp ..... (Signature) (1) Insert X in the appropriate box.

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

1. Exporter (Name, full address, country)

EUR. 1 No **A** 000.000

See notes overleaf before completing this form

2. Application for a certificate to be used in preferential trade between

.....

and

.....

(insert appropriate countries, groups of countries or territories)

3. Consignee (Name, full address, country) (Optional)

(1) Complete only in cases of exporting country not being identical to the country where the products are originating. In the contrary case, this box has to be struck through.

4. Country, group of countries or territory in which the products are considered as originating (1)

5. Country, group of countries or territory of destination

6. Transport details (Optional)

7. Remarks

(2) If goods are not packed, indicate number of articles or state 'in bulk' as appropriate.

8. Item number; marks and numbers; Number and kind of packages (2); Description of goods	**9.** Gross weight (kg) or other measure (litres, m^3, etc.)	**10.** Invoices (Optional)

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 [1]:

.....

.....

.....

.....

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)

.....

(Signature)

---

[1] For example: import documents, movement certificates, invoices, manufacturer's declarations, etc., referring to the products used in manufacture or to the goods re-exported in the same state.

REQUEST FOR VERIFICATION	RESULT OF VERIFICATION
The undersigned customs officer requests that the declaration by the exporter on the front of this form be verified (*)	Verification carried out by the undersigned customs officer shows that: ☐ the statements and particulars given in this form are accurate (1); ☐ this form does not meet the requirements as to authenticity and accuracy (see remarks appended) (1)
(Place and date of signature)	(Place and date of signature)
Official stamp	Official stamp
(Signature of customs officer)	(Signature of customs officer)
	(1) Place an x where applicable.

(*) Verification of the form is made on a sampling basis or whenever the customs authorities of the importing country have reasonable doubt as to the true origin of the goods in question or of constituents thereof.

The customs authorities of the importing country must send the form to the authorities of the exporting country responsible for verification, specifying the reasons of substance or form which justify an inquiry. Whatever possible they must attach to the form the invoice submitted to them or a copy thereof, and give any information which it has been possible to obtain and which suggests that the particulars given in the form are inaccurate.

If the customs authorities of the importing country decide to suspend the provisions of the Agreement while awaiting the results of the verification, they shall offer to release the goods to the importer subject to such safeguards as may be considered necessary.

Before completing this form read carefully the instructions on the back of Part 1.

FORM **EUR. 2** No A 000.000 (Part 1)

1 Name and address of exporter	2 **Declaration by the exporter** I, the undersigned, exporter of the goods described below and contained in this postal consignment, — DECLARE that the goods are situated in ..... (exporting country) under the conditions necessary for completion of this form in accordance with the provisions governing trade between ..... (1); and that the goods have the status of originating products within the meaning of the said provisions; — UNDERTAKE to submit to the appropriate authorities any supporting evidence which these authorities may require and to agree to any inspection by them of my accounts and any check by them on the processes of manufacture of the goods described below.
3 Name and address of consignee	4 Place and date 6 Signature of exporter
5 Remarks (2)	7 Country, group of countries or territory in which the products are considered as originating (3) 8 Country of destination 9 Gross weight
10 Description of goods	11 Authorities in the exporting country responsible for verification of the declaration by the exporter

(1) (2) (3) (See footnotes on back of part 1).

(1) (2) (3) (See footnotes on back of part 1).

Before completing this form read carefully the instructions on the back of Part 1.

1 Name and address of exporter	2 **Declaration by the exporter** I, the undersigned, exporter of the goods described below and contained in this postal consignment, — DECLARE that the goods are situated in ..... (exporting country) under the conditions necessary for completion of this form in accordance with the provisions governing trade between ..... (1); and that the goods have the status of originating products within the meaning of the said provisions; — UNDERTAKE to submit to the appropriate authorities any supporting evidence which these authorities may require and to agree to any inspection by them of my accounts and any check by them on the processes of manufacture of the goods described below.
3 Name and address of consignee	4 Place and date
	6 Signature of exporter
5 Remarks (2)	7 Country, group of countries or territory in which the products are considered as originating (3) / 8 Country of destination / 9 Gross weight
10 Description of goods	11 Authorities in the exporting country responsible for verification of the declaration by the exporter

FORM **EUR. 2** No A 000.000 (Part 2)

Footnotes for both forms

(1) Indicate the Contracting Parties to the transaction in respect of which the form has been completed.

(2) Refer to any verification already carried out by the appropriate authorities.

(3) Complete only in cases of exporting country not being identical to the country where the products are originating. In the contrary case, this box has to be struck through.

Instructions for the completion of form EUR.2

A. A form EUR.2 may be made out only for goods which in the exporting country meet the conditions specified by the provisions governing the trade referred to in space 2.

Those provisions must be studied carefully before the form is completed.

B. The exporter must give the reference 'EUR.2' followed by the serial number of the form either on green label C 1 or on customs declaration C 2/CP 3.

C. After completing and signing the two parts of the form, the exporter must,

— in the case of a consignment by parcel post, attach the two parts to the dispatch note,

— in the case of a consignment by letter post, attach Part 1 firmly to the consignment and insert Part 2 inside it.

Annex 7 to Annex II

SPECIMEN OF DECLARATION

I, the undersigned, declare that the goods listed on this invoice were obtained in .....

.....

and (as appropriate):

(a) (*) satisfy the rules on the definition of the concept of 'wholly produced products'

or

(b) (*) were produced from the following products:

Description	Country of origin	Value (*)
.....	.....	.....
.....	.....	.....
.....	.....	.....
.....	.....	.....

and have undergone the following processes:

..... (indicate processings)

in

.....

....

(Place and date) (Signature)

(*) To be completed as necessary.

Annex 8 to Annex II

EUROPEAN COMMUNITIES

1. Supplier (1)

2. Consignee (1)

INFORMATION CERTIFICATE

to facilitate the issue of a

MOVEMENT CERTIFICATE

for preferential trade between the

EUROPEAN ECONOMIC COMMUNITY

and the

COUNTRIES AND TERRITORIES

3. Processor (1)

4. State, country or territory in which the working or processing has been carried out

6. Customs office of importation (2)

5. For official use

7. Import document (2)

Form ..... No .....

Series .....

Date | | | |

GOODS SENT TO THE STATE, COUNTRY OR TERRITORRY OF DESTINATION

8. Marks, numbers, quantity and kind of package	9. Tariff heading number and description of goods	10. Quantity (3)
		11. Value (4)

IMPORTED GOODS USED

12. Tariff heading number and description	13. Country of origin	14. Quantity (3)	15. Value (2)(5)

16. Nature of the working or processing carried out

17. Remarks

18. CUSTOMS ENDORSEMENT

Declaration certified

Document .....

Form ..... No .....

Customs office .....

Date | | | |

Official stamp

..... (Signature)

19. DECLARATION BY THE SUPPLIER

I, the undersigned, declare that the information on this certificate is accurate

..... (Place) | | | | (date)

..... (Signature)

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

REQUEST FOR VERIFICATION	RESULT OF VERIFICATION
The undersigned customs official requests verification of the authenticity and accuracy of this information certificate	Verification carried out by the undersigned customs official shows that this information certificate: (a) was issued by the customs office indicated and that the information contained therein is accurate (*) (b) does not meet the requirements as to authenticity and accuracy (see notes appended) (*)
..... (Place and date)	..... (Place and date)
Official stamp	Official stamp
..... (Official's signature)	..... (Official's signature)
	(*) Delete where not applicable.

CROSS REFERENCES

(1) Name of individual or business and full address.

(2) Optional information.

(3) Kg, hl, m^3 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 III

on the application of Article 12

Article 1

1. At the request of a Member State or on its own initiative the Commission may decide to apply to products originating in the countries and territories the safeguard measures which the Community may take pursuant to Article 12 of the Decision in particular a temporary, total or partial suspension of the tariff and other measures provided for by the Decision for the benefit of the countries and territories.

If the Commission receives a request from a Member State, it shall take a decision thereon within three working days following receipt of the request.

Member States shall be notified of the safeguard measures which shall apply immediately.

2. Any Member State may refer the measures taken by the Commission to the Council within 10 working days following the date of notification of such a measure. The Council shall meet without delay. Acting by a qualified majority, it may amend or rescind the measure in question.

Article 2

1. Without prejudice to the application of Article 1, the Commission may, in order to enable a Member State to face up to the disturbances or difficulties referred to in Article 12 of the Decision, authorize that Member State to take safeguard measures.

If the Commission has received a request from the Member State concerned, it shall take a decision thereon within three working days following receipt of the request.

The Commission's decision shall be notified to all Member States.

2. Any Member State may refer the Commission's decision to the Council within 10 working days of notification of that decision. The Council shall meet without delay. Acting by a qualified majority, it may amend or annul the decision taken by the Commission.

Article 3

1. Without prejudice to the application of Article 2, the Member State or States concerned may, in an emergency, introduce safeguard measures. They shall notify the other Member States and the Commission of such measures forthwith.

Using an emergency procedure, the Commission shall within five working days of the notification referred to in the first subparagraph, decide whether the measures are to be retained, armended or abolished.

The Commission's decision shall be notified to all Member States. It shall be immediately enforceable.

2. Any Member State may refer the Commission's decision to the Council within 10 working days of notification of that decision. The Council shall meet without delay. Acting by a qualified majority, it may amend or annul the decision taken by the Commission.

If the matter is referred to the Council by the Member State which has taken the safeguard measures, the Commission's decision shall be suspended. The suspension shall cease to apply 30 days after the matter has been referred to the Council if the latter has not by then amended or annulled the Commission's decision.

3. For the purposes of applying this Article, priority must be given to such measures as will least disturb the functioning of the common market.

Article 4

This Annex shall not preclude application of the Regulations establishing a common organization of agricultural markets or of Community or national administrative provisions resulting therefrom, or of the specific Regulations adopted pursuant to Article 235 of the Treaty for processed agricultural products. It shall be implemented as a complement to these instruments.

ANNEX IV

on imports of cane sugar originating in the countries and territories

Article 1

1. The Community shall purchase and import, at guaranteed prices, specific quantities of cane sugar, raw or white, which originate in the countries and territories and which the said countries and territories deliver to it.

2. The implementation of this Annex shall be carried out within the framework of the management of the common organization of the market in sugar. The safeguard clause in Article 12 of the Decision shall not apply.

Article 2

The quantities of cane sugar referred to in Article 1, expressed in metric tons of white sugar, hereinafter referred to as 'specified quantities', for delivery in each 12-month period referred to in Article 3, will be as follows:

Belize	39 400,
St Kitts, Nevis and Anguilla	14 800,
Surinam	4 000.

Article 3

In each 12-month period from 1 July to 30 June inclusive, hereinafter referred to as the 'delivery period', the sugar-exporting countries and territories shall deliver the quantities referred to in Article 2, subject always to any adjustments resulting from the application of Article 6.

Article 4

1. White or raw cane sugar shall be marketed on the Community market at prices freely negotiated between buyers and sellers.

2. The Community will not intervene if and when a Member State allows selling prices within its borders to exceed the Community's threshold price.

3. The Community shall purchase, at the guaranteed price, quantities of white or raw sugar, within the specified quantities which cannot be marketed in the Community at a price equivalent to or in excess of the guaranteed price.

4. The guaranteed price, expressed in units of account, shall refer to unpacked sugar, cif European ports of the Community. It shall be fixed annually in respect of standard quality sugar as defined by Community rules, within the price range obtaining in the Community, taking into account all relevant economic factors, at the latest by 1 May immediately preceding the delivery period to which it will apply.

Article 5

Purchase at the guaranteed price, referred to in Article 4 (3), shall be assured through the medium of the intervention agencies or other agents appointed by the Community.

Article 6

1. If, during any delivery period, a sugar-exporting country or territory fails to deliver its specified quantity in full for reasons of *force majeure* the Commission shall, at the request of the Member State with which the country or territory in question has special relations, allow the necessary additional period for delivery.

2. If the relevant authority of a sugar-exporting country or territory informs the Commission during the course of a delivery period that it will be unable to deliver its specified quantity in full and that it does not wish to take advantage of the additional period referred to in paragraph 1, the shortfall will be reallocated by the Commission for delivery during the delivery period in question.

3. If, during any delivery period, a sugar-exporting country or territory fails to deliver its specified quantity in full for reasons other than *force majeure,* that quantity shall be reduced in respect of each subsequent delivery period by the shortfall.

4. It may be decided by the Commission that in respect of subsequent delivery period, the shortfall shall be reallocated among the other countries and territories which are referred to in Article 2.

Annex to Annex IV

For the period up to 30 June 1976 and in respect of the quantities specified in Article 2 of Annex IV, the guaranteed prices referred to in Article 4 (4) of this Annex shall be as follows:

(a) for raw sugar, 25·53 units of account per 100 kg;

(b) for white sugar, 31·72 units of account per 100 kg.

The prices shall refer to sugar of standard quality as defined in Community rules, unpacked, cif European ports of the Community.

ANNEX V

on the application of financial and technical cooperation

Article 1

In the context of the objectives laid down in Article 28 of the Decision, it is agreed that the projects and programmes must help ensure all or part of the following effects:

— growth of the national income of each country or territory;

— improvement of the standard of living and the socio-cultural levels of populations and of the most underprivileged in particular;

— the establishment of more balanced economic relations between the countries and territories and other countries, their greater participation in world trade in general, including, in particular, trade in manufactured products;

— improvement and control of the conditions of development, in particular physical factors and technical know-how;

— diversification and integration of the structure of the economy, on both a sectoral and a geographical basis;

— regional cooperation between the countries and territories and, where appropriate, between the countries and territories and other developing countries.

CHAPTER 1

Financing procedures

Article 2

Special loans shall serve to finance all or part of projects or programmes of general interest to the economic and social development of the country or territory or countries or territories in which they are to be undertaken.

As a general rule, these loans shall be made for a duration of 40 years, with a grace period of 10 years. They shall bear interest at the rate of 1% per year.

Article 3

1. In order to assist the execution of industrial, mining and tourism projects of general interest to the economy of the country or territory or countries or territories concerned, the Community may grant assistance in the form of risk capital in order to step up the own resources, or resources assimilated thereto, of the firms of those countries or territories, where appropriate by the acquisition of holdings in the authorized capital of those firms and, more generally, by means of quasi-capital aid.

2. Holdings acquired by the Community in the capital of firms or institutions for financing the development of the countries or territories shall be in the nature of temporary minority holdings. Such operations may be undertaken jointly with a loan from the Bank or with another form of risk capital assistance. As soon as appropriate they shall be transferred, preferably to natural or legal persons of the countries or territories.

3. Quasi-capital assistance may take the form of:

— subordinated loans, which shall be redeemed and in respect of which interest, if any, shall be paid only after the other bank claims have been settled on market terms;

— conditional loans, which shall be serviced and in respect of which redemption shall be due only after fulfilment of conditions laid down when the loan is made by particular reference to the conditions in which the project is being set up. These conditions shall indicate that the project has overcome the particular risks to which it was exposed and has achieved a certain level of profitability.

The terms of such aid shall be determined on a case-by-case basis by reference to the characteristics of the projects financed; the interest rate may not be greater than that of subsidized loans from the Bank.

4. Quasi-capital assistance shall as a general rule be accorded to industrial, mining and tourism firms and to development financing institutions where the

characteristics of their activities and management so permit. It may also be accorded to the countries or territories in order to enable them to acquire a holding in the capital of industrial, mining and tourism firms where such an operation comes under the financing of new productive investments and is supplemented by another financial intervention by the Community.

5. When the Decision expires the credits provided for in the third indent of point (1) (a) of Article 30 (2) of the Decision in the form of risk capital which have not been committed shall be added to those provided for in the second indent of that point in the form of special loans.

Article 4

1. Scrutiny by the Bank of the eligibility of projects, and the according of loans from its own resources, shall be effected in accordance with the rules, conditions and procedures provided for in the Bank's Statute, consideration being given to the economic and financial situation of the country or territory or countries or territories concerned and to the factors which guarantee the servicing of repayable aid.

2. The duration of loans made by the Bank from its own resources shall be governed by terms stipulated on the basis of the economic and financial characteristics of the project; this period may not exceed 25 years.

3. The rate of interest shall be the rate charged by the Bank at the time of the signature of each loan contract. This rate shall generally be reduced by 3% by means of an interest rate subsidy. The interest rate subsidy shall, however, be automatically adjusted so that the interest rate actually borne by the borrower will be neither less than 5% nor more than 8%. The interest rate subsidy shall not be applied where the loans are intended for investments in the oil sector or in the mining sector, or where they are situated in countries or territories or concern sectors which will be determined by the Council.

4. The aggregate amount of interest rate subsidies, calculated in terms of its value at the time of the signature of the loan contract at a rate and according to rules to be laid down by agreement between the Commission and the Bank, shall be charged against the amount of grant aid specified in point 1 of Article 30 (2) of the Decision and shall be paid directly to the Bank.

CHAPTER 2

Technical cooperation

Article 5

1. The technical cooperation referred to in Article 34 of the Decision may be either linked with investments or of a general nature.

2. Technical cooperation linked with investments comprises:

(a) planning and special and regional development studies;

(b) technical, economic and commercial studies, and research and surveys required to prepare projects;

(c) aid in the preparation of dossiers;

(d) aid in the execution and supervision of work;

(e) temporary aid for the establishment, launching and operation of a specific investment or of installations, including where necessary the training of personnel for the operation and maintenance of the investment or installations;

(f) meeting the cost of technicians temporarily and providing goods necessary to the proper execution of an investment project.

3. General technical cooperation comprises:

(a) the grant of scholarships for studies, training courses and postal tuition to provide, preferably in the countries and territories, for the vocational training and further training of the natural persons thereof;

(b) the organization of specific training programmes in the countries and territories, in particular for the staff of public services and institutions of the countries and territories or of undertakings therein;

(c) at the request of the relevant authorities of the countries and territories, the provision of experts, advisers, technicians and instructors of the Member States or of the countries and territories for specific missions and for limited periods;

(d) the supply of instructional, experimental and demonstration equipment;

(e) the organization of short training courses for natural persons of the countries and territories and further training courses for civil servants of those countries and territories;

(f) sectoral studies;

(g) studies of the prospects and opportunities for economic development and diversification in the countries and territories, and of problems of interest to groups of countries and territories or to the countries and territories as a whole;

(h) general information and documentation to promote the economic and social development of the countries and territories, the development of trade between the Community and those countries and territories, and the achievement of the aims of financial and technical cooperation.

CHAPTER 3

Regional cooperation

Article 6

Within the meaning of the Decision, regional cooperation shall apply to relations either between countries or territories or between one or more countries or territories on the one hand and one or more neighbouring developing third countries on the other. Interregional cooperation shall apply to relations between one or more countries or territories and a regional organization.

Article 7

A country or territory or group of countries or territories participating with neighbouring developing countries in a regional project may request the Community to finance that part of the project for which it is responsible.

CHAPTER 4

Special measures in favour of the least developed countries and territories

Article 8

Community aid accorded to the least developed countries or territories shall be combined with particularly favourable terms of financing, having regard to the economic situation specific to each of them.

Generally, such financing shall be in the form of grants and, in appropriate cases, in the form of special loans or risk capital. However, loans from the Bank's own resources may be accorded in the countries or territories concerned, having regard to the criteria defined in Article 31 of the Decision.

Article 9

1. At the request of the relevant authorities of the least developed countries or territories, the Community shall give special attention to the application of the following aid measures:

(a) technical assistance necessary for identifying, preparing and carrying out their projects;

(b) training schemes for management and other staff required for the economic development services and technical departments of those countries or territories. Such training must be closely linked to the practical objectives set by the country or territory concerned and carried out, as far as possible, in that country or territory.

2. The following special aid measures may also be applied to those countries or territories:

(a) support for research aimed at finding solutions to some of their specific economic and social development problems;

(b) support for the development of small and medium-sized firms and for carrying out small rural development schemes.

3. By way of derogation from Article 34 (2) of the Decision and on the basis of an examination of the needs and means of each of the countries or territories concerned, the Community may finance, temporarily and on a diminishing scale, the running costs of or major repairs to investments previously financed by the Community which are of special importance to the economic and social development of the country or territory concerned. This aid shall be accorded only where such expenditure on running costs or major repairs proves too great for the country or territory or other beneficiaries.

CHAPTER 5

Specific measures in favour of small- and medium-sized local firms

Article 10

1. Within the limits of the resources provided for in Article 30 of the Decision, the Community shall

finance projects in favour of small- und medium-sized firms, cooperatives or local authorities in the countries and territories and shall generally do so through public or semi-public financial bodies specialized in development, such as local or regional development banks approved by the Community and the relevant authority of the country or territory or countries or territories concerned.

2. To this end, the relevant authority of the country or territory or countries or territories shall provide the Community with:

— information on the capacity of the financing body, on the trend of and prospects for its activities in the field in question, and on the guarantees it can offer;

— a programme for the promotion of small firms, indicating in particular the scope and nature of the projects, financing requirements, the existence of possible promoters and, where appropriate, the technical assistance the latter are to be provided with for the preparation and management of their projects.

3. When the Community has approved the programme, it shall open for the approved financial body a line of credit financed by a suitable form of aid.

The line of credit shall be for a maximum amount of two million units of account, which may be used during a limited period of not more than three years. It may be renewed at the end of that period.

4. The terms governing the grant of such aid shall in each case be the subject of an agreement between the Community and the financing body. The outline rules for the implementation of the aid shall be stipulated therein, in particular as regards:

— the scale of the operations, which may not exceed an amount in the order of 200 000 units of account per project;

— the sectors eligible for aid;

— the criteria which must be met by the potential aid recipients;

— the criteria and methods of project appraisal;

— the financial terms of final loans.

5. The projects shall be appraised by the financing body. This body shall decide, on its own financial responsibility, on final loans to be accorded on terms established by reference to those obtaining for this type of operation in the country or territory in question.

6. The financing body shall finance its loans by mobilizing the line of credit to the extent required. At this stage the Community shall verify that the loans fall within the agreement referred to in paragraph 4.

The financing terms accorded by the Community to the financing body shall take into consideration the latter's need to cover its administrative costs, exchange and financial risks and the cost of technical assistance given to the firms or other final borrowers.

7. The financing body shall be responsible, whatever the circumstances, for repayment to the Community of that part of the line of credit actually mobilized.

It shall provide the Community annually with a report on the implementation and financing of the approved programme.

CHAPTER 6

Microprojects

Article 11

In order to respond concretely to the needs of local communities with regard to development, the Fund may participate in the financing of microprojects.

Article 12

1. In order to be eligible for Community financing, microprojects must:

— meet a real, priority need at local level;

— ensure the active participation of local communities.

The Fund's contribution to each microproject may not exceed 75 000 units of account.

2. Microprojects shall normally be carried out in rural areas. However, the Community may also assist in the financing of microprojects in urban areas. These projects shall include dams, wells and water supply systems, silos and warehouses for storing

provisions and crops, rural service tracks and bridges, animal vaccination pens and corridors, primary schools, dispensaries, maternity homes, social assistance centres, market buildings and facilities to encourage commercial and industrial activity, and other projects which meet the criteria referred to in paragraph 1.

Article 13

Each project for which Community assistance is requested must stem from an initiative taken by the local community which will benefit therefrom.

The financing of microprojects shall in principle have a tripartite structure and shall stem from:

— the recipient local community, in the form of a contribution in money or in kind adapted to its capacity to contribute;

— the country or territory, in the form of a financial contribution or a contribution of public works services;

— the Fund.

For each project, the local community shall undertake to play its part in maintaining and running the project, in conjunction with the local authorities as appropriate.

Article 14

1. The relevant authority of the country or territory concerned shall prepare and submit to the Commission an annual programme setting forth the broad outlines of the projects planned.

After examination by the Commission's departments, these programmes shall be submitted to the relevant bodies of the Community for financing decisions.

2. Within the framework of the annual programmes thus drawn up, the financing decisions relating to each microproject shall be taken by the relevant authority of the country or territory concerned, with the agreement of the Commission which shall be deemed to be given within one month of notification of such decision, except in special cases.

CHAPTER 7

Competition and terms of preference for local firms

Article 15

1. The Commission and the relevant authorities of the countries or territories shall take the necessary implementing measures to ensure equality of conditions for participation in tendering procedures and other procedures for the award of contracts financed by the Fund's resources managed by the Commission.

2. To this end, without prejudice to Article 17, care shall be taken in particular to:

(a) ensure advance publication in reasonable time of invitations to tender in the *Official Journal of the European Communities* and the official journals of the countries and territories;

(b) eliminate any discriminatory practice or technical specification liable to stand in the way of participation on equal terms by all natural or legal persons of the Member States and of the countries and territories;

(c) encourage in so far as possible, especially where major works or those of a particular technical nature are to be undertaken, cooperation between the firms of the Member States and of the countries and territories, for example by means of preselection and the creation of groups.

Article 16

Where the urgency of the situation is recognized or where the nature, minor importance or particular characteristics of certain works or supplies so warrant, the relevant authorities of the countries and territories may, in agreement with the Commission, exceptionally authorize:

— the award of contracts after restricted invitations to tender;

— the conclusion of contracts by direct agreement;

— the performance of contracts through public works departments.

Furthermore, for schemes costing under two million units of account, recourse to public works departments may be authorized where the recipient country or territory has substantial suitable equipment and qualified staff resources available in its local departments.

Article 17

To promote participation by local firms in the performance of contracts financed by the Community from the Fund's resources managed by the Commission:

(a) an accelerated procedure for issuing invitations to tender involving shorter time limits for the submission of tenders shall be used where the works in question, because of their scale, are mainly of interest to firms of the countries and territories.

This accelerated procedure shall be applied to invitations to tender whose value is estimated at less than two million units of account.

It may be used only for works contracts and shall involve, for the submission of tenders, time limits fixed in accordance with the rules in force in the country or territory concerned.

The use of an accelerated procedure for invitations to tender whose value is less than two million units of account shall not exclude the possibility of the Commission's proposing an international invitation to tender to the authorities of the country or territory for agreement where the works in question, because of their specialized nature, might be of interest to international competition;

(b) for the execution of works whose value is less than two million units of account a 10% preference shall be taken into account in favour of firms of the countries and territories where tenders of equivalent economic and technical quality are compared.

This preference shall be confined to local firms of the countries and territories within the meaning of the laws in force in those countries and territories provided that their residence for tax purposes and main business are established in a country or territory and that a significant share of the capital and management staff is supplied by one or more countries or territories;

(c) for the delivery of supplies a 15% preference shall be taken into account in favour of manufacturing firms of the countries and territories where tenders of equivalent technical and economic quality are compared.

This preference shall be confined to local firms of the countries and territories which provide a sufficient margin of value added.

Article 18

The Commission and the relevant authorities of the countries and territories shall ensure that Articles 15, 16 and 17 are observed for each operation and that the tender selected is economically the most advantageous, taking into account in particular the qualifications of and the guarantees offered by the tenderers, the nature and conditions of execution of the works or supplies, and the price, utilization costs and technical value of those works or supplies. Where two tenders are acknowledged to be equivalent on the basis of the criteria stated above, preference shall be given to the one which permits the greatest possible utilization of the physical and human resources of the countries and territories.

The Commission and the relevant authorities of the countries and territories shall ensure that all the selection criteria are specified in the invitation to tender dossier.

The result of invitations to tender shall be published at the earliest possible date in the *Official Journal of the European Communities*.

Article 19

1. The general provisions and conditions applicable to the placing and performance of public works contracts financed by the Fund shall be the subject of common rules adopted unanimously by the Council, acting on a proposal from the Commission.

2. Until the decision provided for in paragraph 1 is implemented, the placing and performance of public works contracts financed by the Fund shall be governed:

— as regards the other countries and territories, by relations with France and the Netherlands, by the Council Decision of 24 July 1973 amending the Decision of 29 September 1970 on the association of the overseas countries and territories, with the European Economic Community;

— as regards the other countries and territories, by the laws in force in those countries and teritories or their established practices for international contracts.

Article 20

1. Any dispute arising between the authorities of the country or territory concerned and the contractor or supplier in the course of execution of a contract financed by the Fund shall be settled by arbitration in accordance with rules of procedure adopted by decision of the Council acting unanimously on a proposal from the Commission.

2. As a transitional measure and pending implementation of the decision referred to in paragraph 1, any disputes will be definitively settled in accordance with the rules of conciliation and arbitration of the International Chamber of Commerce.

CHAPTER 8

Drawing up, negotiation and conclusion of technical cooperation contracts

Article 21

Technical cooperation contracts shall be arranged by mutual agreement. Certain contracts may be awarded following competitive tendering, notably for important, complicated and technically difficult studies where technical, economic or financial reasons justify recourse to this procedure.

Article 22

1. For each operation of technical cooperation which will involve a mutual agreement procedure, the Commission shall compile a list of selected candidates from Member States and/or the countries and territories, selected according to criteria guaranteeing their qualifications, experience and independence and taking into account their availability for the proposed undertaking.

The relevant authority of the country or territory concerned shall choose freely the listed candidate it wishes to deal with.

2. When competitive tendering is resorted to, the list of selected candidates shall be drawn up in close collaboration between the Commission and the relevant authority of the country or territory concerned on the basis of the criteria set out in paragraph 1. The contract shall be awarded to the listed candidate that submits the tender judged by the Commission and that authority to be economically the most advantageous.

3. The firms of the countries and territories which may be taken into consideration for technical cooperation actions shall be selected by mutual agreement between the Commission and the relevant authority of the country or territory or countries or territories concerned.

Article 23

In the context of the common rules provided for in Article 19 and the general conditions of payment established by agreement between the Commission and the relevant authorities of the countries and territories, the technical cooperation contracts shall be prepared, negotiated and concluded by the relevant authorities of the countries and territories, in participation and agreement with the Delegate referred to in Article 28.

Article 24

The Commission shall, as far as possible, encourage cooperation between consultants and experts of Member States and the countries and territories, temporary partnerships, sub-contracting and the use of local experts in the teams belonging to consultants from Member States.

Article 25

When a country or territory has, within its administrative and technical staff, local personnel making up a substantial part of the work-force necessary for the execution by the public works department of a technical cooperation project the Community could, in exceptional cases, contribute to the costs of the public works department by providing certain apparatus that it lacks, or supply the required additional staff in the form of experts of a Member State or of another country or territory.

The participation of the Community could only cover costs incurred by supplementary measures strictly confined to the project in question and would exclude all current operational expenditure.

CHAPTER 9

Executive agents

Article 26

1. The Commission shall appoint the chief authorizing officer of the Fund, who shall ensure that financing decisions are carried out.

He shall take any adaptation measures and commitment decisions which prove necessary to ensure the proper execution of approved projects or programmes in the best economic and technical conditions.

2. Without prejudice to Article 27, the chief authorizing officer shall manage the funds, and shall accordingly commit, clear and authorize expenditure

and keep the accounts of commitments and authorizations.

3. The chief authorizing officer shall ensure equality of conditions for participation in invitations to tender, that there is no discrimination and that the tender selected is economically the most advantageous.

Article 27

1. The relevant authorities of each country or territory shall appoint a territorial authorizing officer to represent them in all operations relating to projects financed from the Fund's resources.

2. In addition to his responsibilities in connection with the preparation, submission and appraisal of projects, the territorial authorizing officer shall, in close cooperation with the delegate, issue invitations to tender, receive tenders, preside over the examination of tenders, establish the results of the invitations to tender, sign contracts and riders thereto and estimates and notify the Commission thereof. He shall submit the invitation to tender dossier to the Commission for agreement before issuing invitations to tender.

3. He shall transmit to the chief authorizing officer for agreement the outcome of the examination of the tenders and a proposal for placing the contract.

4. As regards works contracts subject to accelerated procedure, the decisions taken by the territorial authorizing office in implementation of paragraphs 2 and 3 shall be deemed to be approved by the Commission within a period of one month of notification thereof.

5. The territorial authorizing officer shall clear and authorize expenditure within the limits of the funds delegated to him. He shall remain financially liable until the Commission clears the operations for the execution of which he is responsible.

6. During the execution of projects and subject to his informing the delegate as soon as possible, the territorial authorizing officer shall also decide on:

(a) technical adjustments and alterations on matters of detail, so long as they respect the general framework of the project and contract, do not affect the technical solutions adopted and remain within the limit of the provision for minor adjustments;

(b) minor alterations to estimates during execution;

(c) transfers from item to item within estimates;

(d) changes of site for multiple-unit projects where justified on technical or economic grounds;

(e) application or remission of penalties for delay;

(f) acts discharging guarantors;

(g) purchase of goods, irrespective of their origin, on the local market;

(h) use of contruction equipment and machinery not originating in the Member States or in the countries and territories provided there is no production of comparable goods in the Member States or in the countries and territories;

(i) sub-contracting;

(j) final acceptances; however, the delegate must be present at provisional acceptances and endorse the corresponding minutes and, where appropriate, he must be present at final acceptances, in particular where the extent of the reservations recorded at the provisional acceptance necessitates major additional work.

Article 28

1. For the purposes of applying the Decision and for the purposes of the Fund's resources which the Commission manages, the Commission shall be represented by delegates in the countries or territories.

2. Provided that an express request is made by the relevant authority of a country or territory to that effect, the delegate shall give technical assistance in preparing and appraising projects financed from the Fund's resources. To this end, he may participate in preparing dossiers for submission, in negotiating, with external technical assistance, contracts for studies, for the services of experts and for works supervision, in seeking ways to simplify project appraisal procedures, and in preparing general specifications and invitation to tender dossiers.

3. The delegate shall, on a regular basis, and in certain cases acting on special instructions from the Commission, inform the authorities to which he is attached of Community activities which may directly concern cooperation between the Community and the countries and territories.

4. The delegate shall collaborate with the local authorities in examining completed projects regularly. Reports on the outcome of the examination shall be drawn up by him and communicated to the relevant authority of the country or territory concerned.

5. Every six months the delegate shall assess the Fund's operations in the country or territory in which he represents the Commission. Reports drawn up in this connection shall be communicated by the Commission to the relevant authority of the country or territory concerned.

6. The delegate shall make sure, on behalf of the Commission, that the projects and programmes financed from the Fund's resources are executed properly from the financial and technical angles.

Article 29

1. Services provided in connection with projects financed by the Fund with grant aid shall be paid for on instructions from the Commission by drawing on the Fund's accounts.

2. For this purpose, accounts shall be opened on behalf of the Commission with a financial institution, which shall exercise the functions of paying agent.

3. Within the limits of the funds available, the paying agent shall make the disbursements authorized after verifying that the supporting documents provided are substantively accurate and in order, and that the discharge is valid.

CHAPTER 10

Other provisions

Article 30

1. Excess expenditure incurred during the execution of a project financed from the Fund's resources managed by the Commission shall be borne by the country or territory or countries or territories concerned, subject to the following provisions.

2. As soon as it appears likely that a project will involve excess expenditure, the territorial authorizing officer shall so inform the Commission through the delegate and shall make known to it the measures he intends to take in order to cover such excess expenditure, involving either a reduction in the scale of the project or a call on local resources.

3. If it appears impossible to reduce the scale of the project or to cover the excess expenditure by drawing on local resources, the Community body responsible for taking the financing decisions may, as an exceptional measure, take a decision to commit additional funds and finance the relevant expenditure either by savings made on other projects or by implementing supplementary measures worked out jointly by the Commission and the relevant authority of the country or territory or countries or territories concerned.

4. Without prejudice to the arrangements provided for in paragraphs 2 and 3, the territorial authorizing officer shall decide, in concert with the chief authorizing officer, to earmark unexpended balances resulting from savings shown when the accounts of projects are closed for covering excess expenditure on another project, provided that such excess expenditure is not greater than a fixed ceiling of 15% of the total appropriation for the project in question.

Article 31

Financing and adminstrative expenses arising out of the administration of the Fund and the costs of supervising projects and programmes shall be covered by the Fund.

ANNEX VI

relating to Article 2

The duties which may be temporarily retained under Article 38 of the Act of Accession shall remain generally applicable and Article 2 (1) of the Decision may not constitute an exception thereto.

ANNEX VII

relating to Article 3

Article 3 (1) of the Decision shall be without prejudice to the special system applicable to imports of motor vehicles and the motor vehicle assembly industry in Ireland which are the subject of Protocol 7 to the Act of Accession.

ANNEX VIII

Declaration by the Government of the Kingdom of the Netherlands

The Government of the Kingdom of the Netherlands draws attention to the constitutional structure of the Kingdom resulting from the Statute of 29 December 1954, and in particular to the autonomy of the non-European parts of the Kingdom so far as concerns certain provisions of the Decision and the fact that the Decision was, in consequence, adopted in cooperation with the Government of the Netherlands Antilles pursuant to the constitutional procedures in force in the Kingdom.

It declares that, for that reason and without prejudice to the rights and obligations devolving upon it under the Treaty and under the Decision, the Government of the Netherlands Antilles will fulfil the obligations arising out of the Decision.

ANNEX IX

on exports of bananas by the countries and territories

As regards its exports of bananas to the Community, no country or territory shall be placed, as regards access to the markets and market advantages, in a less favourable situation than in the past or at present; the countries and territories may also benefit from the efforts made by the Community in the context of the ACP-EEC Convention of Lomé in order to enable them to increase their banana exports to their traditional Community markets.

Comparable endeavours will also be undertaken to enable the countries and territories to gain a foothold in new Community markets and to expand their banana exports to those markets.
