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#### 'I' ITEM NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee (Part 2)
No. Cion doc.:	ST 10150/18 + ADD 1
Subject:	Proposal for a COUNCIL DECISION on the Association of the Overseas Countries and Territories with the European Union including relations between the European Union on the one hand, and Greenland and the Kingdom of Denmark on the other (Decision on the Overseas Association, including Greenland) - Partial general approach

1. On 14 June 2018, the Commission submitted to the Council a proposal for a Council Decision on the Association of the Overseas Countries and Territories with the European Union including relations between the European Union on the one hand, and Greenland and the Kingdom of Denmark on the other ('Overseas Association Decision')<sup>1</sup>.

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<sup>1</sup> ST 10150/18 + ADD 1.

2. Following the examination of the proposal in three readings in the presence of delegates from the Working Party on Eastern Europe and Central Asia (COEST), on 23 April 2019 the ACP Working Party expressed unanimous support to the draft text, as set out in the Annex to this note.
3. Since the proposed Decision is linked to the Multiannual Financial Framework (MFF), all provisions with budgetary implications or of horizontal nature have been set aside, and thus excluded from the partial general approach aimed for, pending further progress on the MFF. These provisions, which appear between square brackets in the text, concern the EDF budgetisation (Recital 3), the overall target of the EU budget expenditures supporting climate objectives and the specific target under the Decision to support such objectives (Recital 23), the protection of the Union's budget in case of generalised deficiencies as regards the rule of law in the Member States (Recital 36), reference to the NDICI Regulation (Recital 39 and Articles 81, 82 and 85(2)), the financial envelope for the Programme for the period 2021-2027 (Article 75(1) and Article 1(1) of Annex I), reference to the new MFF Regulation (Article 75(3), the general principle of the implementation of the financial cooperation (Article 81), the adoption of multiannual indicative programmes, action plans and measures (Article 82), reference to InvestEU (Article 85(1)), reference to the Humanitarian Aid Instrument (Article 85(2)), the allocation between the OCTs (Article 1 of Annex I), as well as the amount reserved for the Commission to cover technical and/or administrative assistance and expenditure (Article 1 of Annex I, footnote 1).
4. References to third countries, non-ACP countries and territories have also been set aside, pending the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union.
5. Coreper is invited to approve the draft text in the Annex with a view to submitting it to the Council for reaching a partial general approach on the proposal.

Draft

**COUNCIL DECISION**

**on the Association of the Overseas Countries and Territories with the European Union  
including relations between the European Union on the one hand, and Greenland and the  
Kingdom of Denmark on the other**

**(Decision on the Overseas Association, including Greenland)**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 203 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national Parliaments,

Having regard to the opinion of the European Parliament<sup>1</sup>,

Acting in accordance with a special legislative procedure,

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<sup>1</sup> Opinion of xx/xx/xxxx (not yet published in the Official Journal).

Whereas:

- (1) This Decision establishes the rules and the procedure for the association of the EU with Overseas Countries and Territories (OCTs), including Greenland, and replaces Council Decision 2013/755/EU<sup>2</sup> ('Overseas Association Decision') and Council Decision 2014/137/EU<sup>3</sup> ('Greenland Decision').
- (2) Pursuant to Article 204 of the Treaty on the Functioning of the European Union (TFEU), the provisions of Articles 198 to 203 TFEU apply to Greenland, subject to the specific provisions set out in Protocol No 34 to the TFEU on special arrangements for Greenland. In accordance with the Greenland Treaty<sup>4</sup>, the relations between the Union on the one hand, and Greenland and the Kingdom of Denmark on the other are governed by Council Decision 2014/137/EU<sup>5</sup> that highlights the close historical, political, economic and cultural connections between the Union and Greenland and defines a specific partnership and cooperation. Decision 2014/137/EU expires on 31 December 2020.
- (3) [From 1 January 2021, the Union assistance to OCTs previously financed by the European Development Fund (EDF) should be financed from the general budget of the Union.]
- (4) In order to streamline the number of External Financing Instruments and their performance, the relations with all OCTs, including Greenland, should be regrouped by replacing the Overseas Association Decision and the Greenland Decision by a single Decision.

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<sup>2</sup> Decision No 2013/755/EU of 25 November 2013 on the association of the overseas countries and territories with the European Union ('Overseas Association Decision'), OJ L 344, 19.12.2013, p. 1.

<sup>3</sup> Decision No 2014/137/EU of 14 March 2014 on relations between the European Union on the one hand, and Greenland and the Kingdom of Denmark on the other ('Greenland Decision'), OJ L 76, 15.3.2014, p. 1.

<sup>4</sup> Treaty amending, with regard to Greenland, the Treaties establishing the European Communities, OJ L 29, 1.2.1985, p. 1.

<sup>5</sup> OJ L 76, 15.3.2014, p. 1.

- (5) The partnership pursuant to this Decision should allow for the continuation of strong relations between the Union on the one hand, and all the OCTs on the other.
- (6) In 2003, the Council agreed that the future relationship of the Union with Greenland after 2006 would be based on a comprehensive partnership for sustainable development which would include a specific fisheries agreement, negotiated according to the general rules and principles for such agreements.
- (7) The Joint Declaration by the European Union, on the one hand, and the Government of Greenland and the Government of Denmark on the other, on relations between the European Union and Greenland, signed in Brussels on 19 March 2015 recalled the close historical, political, economic and cultural connections between the Union and Greenland and committed to further strengthening relations and cooperation based on broadly shared interests and to endow their mutual relations with a long-term perspective.
- (8) This new Decision should highlight the specificities concerning the partnership between the Union on the one hand and Greenland and Denmark on the other, such as the objective to preserve the close and lasting links between the Union, Greenland and Denmark, the acknowledgement of the geostrategic position of Greenland, the importance of policy dialogue between Greenland, Denmark and the Union, the existence of a Fisheries Partnership Agreement between the Union and Greenland and the potential cooperation on Arctic issues. It should respond to the global challenges allowing for the development of a proactive agenda and the pursuit of mutual interests, in particular, the increasing impact of climate change on human activity and the environment, maritime transport, natural resources, including raw materials and fish stocks, as well as research and innovation.

- (9) The TFEU and its secondary legislation do not automatically apply to the OCTs, with the exception of a number of provisions which explicitly provide for the contrary. Although not third countries, the OCTs do not form part of the single market and must comply with the obligations imposed on third countries in respect of trade, particularly rules of origin, health and plant health standards and safeguard measures.
- (10) The special relationship between the Union and the OCTs is moving from a development cooperation approach to a reciprocal partnership to support the OCTs' sustainable development. The progress achieved so far shall be consolidated and reinforced. Moreover, the solidarity between the Union and the OCTs should be based on their unique relationship and their belonging to the same European family.
- (11) The contribution of civil society to OCTs' development can be enhanced by strengthening civil society organisations in all spheres of cooperation.
- (12) The 2030 Agenda for Sustainable Development ('2030 Agenda'), adopted by the United Nations in September 2015, is the international community's response to global challenges and trends in relation to sustainable development. With the Sustainable Development Goals ('SDGs'), the Paris Agreement on Climate Change and the Addis Ababa Action Agenda – at its core, the 2030 Agenda is a transformative framework to eradicate poverty and achieve sustainable development globally. It is universal in scope, providing a comprehensive shared framework for action that applies both to the Union and to its partners. It balances the economic, social, and environmental dimensions of sustainable development, recognising the essential interlinkages between its goals and targets. The 2030 Agenda aims to leave no one behind. Its implementation will be closely coordinated with other international commitments. Actions implemented under this Decision will pay particular attention to interlinkages between SDGs and to integrated actions that can create co-benefits and meet multiple objectives in a coherent way. Gender equality and women's empowerment are vital for achieving the SDGs and are cross-cutting issues for the entire 2030 Agenda.

- (13) The association between the Union and the OCTs should continue to be based on the three key pillars of enhancing competitiveness, strengthening resilience and reducing vulnerability, and promoting cooperation and integration between the OCTs and other partners and neighbouring regions.
- (14) Union financial assistance allocated through the partnership should bring a European perspective to the development of OCTs and should contribute to the strengthening of the close and long lasting ties with it, while strengthening the position of OCTs as advanced outposts of the Union, based on the common values and history which link the partners.
- (15) Given the OCTs' geographical position, and despite the different status vis-à-vis Union law of each actor in a given geographical area, cooperation between them and their neighbours should be pursued in the interests of all sides with a particular focus on areas of common interest and the promotion of the Union's values and standards.
- (16) The development of intraregional cooperation is a priority of mutual interest. Intraregional operations should strive for a balance, where appropriate, between the Pacific, the Indian Ocean, the Caribbean, the Atlantic and the Arctic regions.
- (17) OCTs face particular constraints due to their geographical position. In particular, the constraints imposed by their remoteness or extreme remoteness should be taken into account when implementing this Decision.
- (18) When implementing this Decision, the social and economic situation of OCTs should be taken into account, in particular for OCTs eligible to receive official development assistance, on the basis of the OECD-DAC list of ODA recipients.

- (19) Many OCTs are neighbours to outermost regions, referred to in Article 349 TFEU and to African, Caribbean and Pacific (ACP) States and [other third countries] [or territories<sup>6</sup>] and share common needs with their neighbours from climate change adaptation and mitigation and the preservation of biodiversity to oceans-related issues, economic diversification and disaster risk reduction.
- (20) The Commission Communication of 24 October 2017 ‘A stronger and renewed strategic partnership with the Union's outermost regions’<sup>7</sup>, the Conclusions of the 15<sup>th</sup> and 16<sup>th</sup> OCT-EU Forums and the Commission recommendations for the negotiations on a Partnership Agreement between the European Union and ACP countries<sup>8</sup> call for a reinforcement of regional cooperation programmes involving OCTs and their neighbours.
- (21) The OCTs are host to wide terrestrial and marine biodiversity. Climate change is impacting on OCTs’ natural environment and constitutes a threat undermining their sustainable development. Actions in the fields of conservation of biodiversity and ecosystem services, disaster risk reduction, sustainable management of natural resources, and promotion of sustainable energy and environmental security contribute to adaptation and mitigation of climate change in the OCTs. The association should aim at ensuring the conservation, restoration and sustainable use of biological diversity and ecosystem services as a key element for the achievement of sustainable development.
- (22) The Union and the OCTs reaffirm their right to regulate the impact of waste on environmental and public health grounds, in compliance with their international commitments.

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<sup>6</sup> [The term 'territories' means the 12 UK OCTs which were listed in Annex II to the Treaty on the Functioning of the European Union at the time of the notification received by the European Council on 29 March 2017 of the United Kingdom's withdrawal from the European Union and Euratom based on Article 50 of the Treaty on European Union.]

<sup>7</sup> COM (2017) 623 final, 24.10.2017

<sup>8</sup> COM (2017) 763 final, 12.12.2017



- (23) Reflecting the importance of tackling climate change in line with the Union's commitments to implement the Paris Agreement and the United Nations Sustainable Development Goals, this Programme will contribute to mainstream climate action in the Union's policies and to the achievement of an overall target of [25 %] of the Union's budget expenditures supporting climate objectives. Actions under this Programme are expected to contribute [25 %] of the overall financial envelope of the Programme to climate objectives. Relevant actions will be identified during the Programme's implementation and reassessed in the context of its mid-term evaluation and review processes.
- (24) The significant role which OCTs could play in contributing to the EU's commitments under Multilateral Environmental Agreements should be recognised in the relations between the Union and the OCTs.
- (25) The Union and the OCTs recognise the special importance of education and vocational training as a lever for the OCTs' sustainable development.
- (26) The association between the Union and the OCTs should take into account and contribute to the preservation of the cultural diversity and identity of OCTs.
- (27) Trade and trade-related cooperation between the Union and the OCTs should contribute to the objective of sustainable economic development, social development and environmental protection.
- (28) This Decision will continue to provide for flexible rules of origin, including as regards cumulation of origin. Cumulation should be possible not only with OCTs and Economic Partnership Agreement (EPA) countries, but under certain conditions also for products originating in countries with which the Union is applying a free trade agreement as well as for products entering the Union duty-free and quota-free under the Union's General System of Preferences, also subject to conditions. These conditions are necessary to prevent trade circumvention and ensure the proper functioning of the cumulation arrangements.

- (29) The procedures for certification of OCT origin should be updated, in the interests of the operators and administrations concerned in the OCTs. Provisions on administrative cooperation between the Union and the OCTs should also be updated accordingly.
- (30) In addition, detailed safeguard and surveillance provisions will be maintained to allow OCTs' and Union competent authorities as well as economic operators to rely on clear and transparent rules and procedures. Finally, it is a matter of common interest to ensure the proper application of the procedures and arrangements that allow the OCTs to export goods to the Union duty-free and quota-free.
- (31) Taking into account the aims of integration and the developments of global trade in the area of services and establishment, it is necessary to support the development of services markets and investment possibilities by improving the market access of OCTs' services and investment to the Union market. In this regard the Union should offer to OCTs the best possible treatment offered to any other trading partner through comprehensive most favoured nation clauses, while ensuring more flexible possibilities for trade relations for OCTs by limiting the treatment offered by OCTs to the Union to what has been offered to other major trading economies.
- (32) Cooperation in the area of financial services between the Union and OCTs should contribute to building a safer, sounder, more transparent financial system that is essential to enhance global financial stability and to underpin sustainable growth. Efforts in that area should focus on convergence with internationally agreed standards and approximation of OCTs' legislation with Union *acquis* on financial services. Adequate attention should be paid to strengthening administrative capacity of OCTs' authorities, including in the area of supervision.

- (33) Union financial assistance should focus on areas where it has most impact, having regard to its capacity to act on a global scale and to respond to global challenges such as poverty eradication, sustainable and inclusive development or the worldwide promotion of democracy, good governance, human rights and the rule of law, its long-term and predictable engagement in development assistance and its role in coordinating with its Member States.
- (34) In the interest of efficiency, simplification and recognition of the management capacities of the OCTs' authorities, the financial resources granted to the OCTs should be managed on the basis of a reciprocal partnership. Moreover, the authorities of the OCTs should assume the responsibility for the formulation and implementation of those policies agreed upon between the parties as cooperation strategies. The limited administrative and human resources of the OCTs should be taken into account in the programming and implementation rules and process.
- (35) This Decision lays down a financial envelope for the association of the OCTs with the Union, the 'Overseas Association Decision', which is to constitute the prime reference amount, within the meaning of point 16 of the Interinstitutional Agreement of [ ---] between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management for the European Parliament and the Council during the annual budgetary procedure.
- (36) Horizontal financial rules adopted by the European Parliament and the Council on the basis of Article 322 of the Treaty on the Functioning of the European Union apply to this Decision. These rules are laid down in the Financial Regulation and determine in particular the procedure for establishing and implementing the budget through grants, procurement, prizes, indirect implementation, and provide for checks on the responsibility of financial actors. [Rules adopted on the basis of Article 322 TFEU also concern the protection of the Union's budget in case of generalised deficiencies as regards the rule of law in the Member States, as the respect for the rule of law is an essential precondition for sound financial management and effective Union funding.]

- (37) The types of financing and the methods of implementation under this Decision should be chosen on the basis of their ability to achieve the specific objectives of the actions and to deliver results, taking into account, in particular, the costs of controls, the administrative burden, and the expected risk of non-compliance. This should include consideration of the use of lump sums, flat rates and unit costs, as well as financing not linked to costs as referred to in Article 125(1) of the Financial Regulation.
- (38) The Union should seek the most efficient use of available resources in order to optimise the impact of its external action. That should be achieved through coherence and complementarity between the Union's external financing instruments, as well as the creation of synergies with other Union policies and Programmes. In order to maximise the impact of combined interventions to achieve a common objective, this Decision should allow for the combination of funding with other Union Programmes, as long as the contributions do not cover the same costs. Taking into account that OCTs' access to Union programmes remains a challenge, the Commission should, where appropriate, encourage OCTs' better access to Union programmes, for example through capacity building and training activities. OCTs' participation should be evaluated regularly. Furthermore, the Union should ensure that natural persons from OCTs can participate in initiatives of the Union on the same basis as other nationals of Member States.
- (39) This Decision should make reference, where required, to [NDICI Regulation] (Neighbourhood, Development and International Cooperation Instrument) for the purpose of the implementation of the cooperation and thus ensuring coherence in the management across instruments.

- (40) In order to take into account developments and changes in customs and trade legislation, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of the procedural rules of origin and related definitions in Annex II and the Appendices of Annex II to enable the Commission to translate into the Decision these changes. The Commission should also be empowered to adopt delegated acts in order to amend Article 3 of Annex I to review or complement the indicators where considered necessary and to supplement that Annex with provisions on the establishment of a monitoring and evaluation framework.

Pursuant to paragraph 22 and 23 of the Inter-institutional agreement for Better Law-Making of 13 April 2016<sup>9</sup>, there is a need to evaluate this Programme on the basis of information collected through specific monitoring requirements, while avoiding overregulation and administrative burdens, in particular on Member States. These requirements, where appropriate, can include measurable indicators, as a basis for evaluating the effects of the Programme on the ground. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016<sup>10</sup>.

- (41) The references to the external assistance instruments in Article 9 of Council Decision 2010/427/EU<sup>11</sup> should be read as reference also to this Decision. The Commission should ensure that this Decision is implemented in accordance with the role of the EEAS as provided in that Decision.

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<sup>9</sup> Interinstitutional Agreement between the European Parliament, the Council of the European Union and the European Commission on Better Law-Making of 13 April 2016; OJ L 123, 12.5.2016, p. 1.

<sup>10</sup> idem

<sup>11</sup> Council Decision 2010/427/EU of 26 July 2010 establishing the organisation and functioning of the European External Action Service (OJ L 201, 3.8.2010, p. 30).

- (42) In order to ensure uniform conditions for the implementation of Article 10(6) and 16(8) of Annex II, Article 2 of Annex III, Article 5 and 6 of Annex IV of this Decision, implementing powers should be conferred on the Commission. Those powers should be *exercised* in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council.
- (43) In accordance with the Financial Regulation, Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council<sup>12</sup>, Council Regulation (EC, Euratom) No 2988/95<sup>13</sup>, Council Regulation (Euratom, EC) No 2185/96<sup>14</sup> and Council Regulation (EU) 2017/1939<sup>15</sup>, the financial interests of the Union are to be protected through effective and proportionate measures, including the prevention, detection, correction and investigation of irregularities, including fraud, the recovery of funds lost, wrongly paid or incorrectly used and, where appropriate, the imposition of administrative sanctions. In particular, in accordance with Regulation (EU, Euratom) No 883/2013 and Regulation (Euratom, EC) No 2185/96, the European Anti-Fraud Office (OLAF) may carry out administrative investigations, including on-the-spot checks and inspections, with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union.

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<sup>12</sup> Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999, OJ L248, 18.9.2013, p. 1.

<sup>13</sup> Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests, OJ L 312, 23.12.95, p.1.

<sup>14</sup> Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities, OJ L292, 15.11.96, p.2.

<sup>15</sup> Regulation (EU) 2017/1939 of 12 October 2017 implementing enhanced cooperation on the establishment of the European Public Prosecutor's Office ('the EPPO'), OJ L283, 31.10.2017, p.1.

In accordance with Regulation (EU) 2017/1939, the European Public Prosecutor's Office (EPPO) may investigate and prosecute fraud and other criminal offences affecting the financial interests of the Union as provided for in Directive (EU) 2017/1371 of the European Parliament and of the Council<sup>16</sup>. In accordance with the Financial Regulation, any person or entity receiving Union funds is to fully cooperate in the protection of the Union's financial interests and grant the necessary rights and access to the Commission, OLAF, the EPPO and the European Court of Auditors (ECA) and to ensure that any third parties involved in the implementation of Union funds grant equivalent rights. For this reason, agreements with third countries and territories and with international organisations, and any contract or agreement resulting from the implementation of this Decision should contain provisions expressly empowering the Commission, the Court of Auditors and OLAF to conduct audits, on-the-spot checks and inspections, according to their respective competences and ensuring that any third parties involved in the implementation of Union funding grant equivalent rights.

- (44) By virtue of this Decision, the Council should be able to give an innovative response to all the factors mentioned above, which is both consistent and tailored to the variety of situations,

HAS ADOPTED THIS DECISION

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<sup>16</sup> Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law, OJ L 198, 28.7.2017, p. 29.

# PART I

## GENERAL PROVISIONS OF THE ASSOCIATION OF THE OVERSEAS COUNTRIES AND TERRITORIES WITH THE UNION

### CHAPTER 1

#### GENERAL PROVISIONS

##### *Article 1*

##### **Subject matter**

1. This Decision establishes an association of the overseas countries and territories (OCTs) with the Union (the ‘association’), which constitutes a partnership, based on Article 198 TFEU, to support the OCTs’ sustainable development as well as to promote the values and standards of the Union in the wider world. The partners to the association are the Union, the OCTs and the Member States to which they are linked. In addition, this Decision lays down rules concerning the relations between the Union on the one hand, and Greenland and Denmark on the other.
2. This Decision establishes, in its Article 75, the funding programme for the association with all the OCTs (the ‘Programme’). It lays down the objectives of the Programme, the budget for the period 2021 to 2027, the forms of Union funding and the rules for providing such funding, as set out in Annex I of this Decision.



## *Article 2*

### **Territorial application**

The association shall apply to the OCTs listed in Annex II to the TFEU.

## *Article 3*

### **Objectives, principles and values**

1. The association between the Union and the OCTs shall be based on objectives, principles and values shared by the OCTs, the Member States to which they are linked and the Union.
2. The partners recognise each other's rights to determine their sustainable development policies and priorities, to establish their own levels of domestic environmental and labour protection, and to adopt or modify accordingly the relevant laws and policies, consistently with commitment to the internationally recognised standards and agreements. In doing so, they shall strive to ensure high levels of environmental and labour protection.
3. In implementing this Decision, the partners shall be guided by the principles of transparency, subsidiarity and the need for efficiency and shall equally address the three pillars of OCTs' sustainable development, implementing the 2030 Agenda across all its internal and external policies in a comprehensive and strategic approach: economic development, cultural and social development and, nature and environmental protection. Gender equality and the rights of girls and women should be mainstreamed into all actions as a key contribution to the successful achievement of the SDGs.

4. The general objective of this Decision is to promote the economic and social development of the OCTs and to establish close economic relations between them and the Union as a whole. The association shall pursue this general objective by the enhancing the OCTs' competitiveness, strengthening the OCTs' resilience, reducing their economic and environmental vulnerability and the promoting of cooperation between them and other partners. Furthermore, the aim of this Decision is to preserve the existing ties between the Union on the one hand, and Greenland and Denmark on the other, acknowledging the geostrategic position of Greenland in the Arctic, and to preserve existing ties between the Union and the other OCTs, acknowledging their geostrategic positions in the Caribbean, the Indian Ocean, the Atlantic and the Pacific.
5. In accordance with Articles 3(5) and 21 of the TEU, the specific objectives of this Decision are the following:
  - (a) to foster and support cooperation with OCTs, including in addressing their major challenges and reaching the Sustainable Development Goals,
  - (b) to support and to cooperate with Greenland in addressing its major challenges as the raising of education level and to contribute to the capacity of the administration of Greenland to formulate and implement national policies.
6. In pursuing those objectives, the association shall respect the fundamental principles of liberty, democracy, human rights and fundamental freedoms, the rule of law, good governance and sustainable development, all of which are common to the OCTs and the Member States to which they are linked.

#### *Article 4*

### **Management of the association**

Management of the association shall be conducted by the Commission and the OCTs' authorities and, where necessary, by the Member State to which the OCT is linked, in accordance with their respective institutional, legal and financial competences.

#### *Article 5*

### **Mutual interests, complementarity and priorities**

1. The association is the framework for policy dialogue and cooperation on issues of mutual interest.
2. Priority shall be given to cooperation in areas of mutual interest, such as:
  - (a) the sustainable diversification of OCTs' economies, including their further integration in world and regional economies; in the specific case of Greenland, the need to increase the skills of its labour force;
  - (b) fostering exchange, cooperation and partnerships for accelerating the achievement of the SDGs;
  - (c) education and training, public health, tourism and culture;
  - (d) the promotion of green and blue economy;
  - (e) the sustainable management of natural resources, including the conservation and sustainable use of biodiversity and ecosystem services;
  - (f) climate change mitigation and adaptation to the impacts of climate change;
  - (g) the promotion of disaster risk reduction;

- (h) the promotion of research, innovation and scientific cooperation activities;
  - (i) the digital accessibility;
  - (j) the promotion of social, cultural and economic exchanges between the OCTs, their neighbours and other partners;
  - (k) the social sector, mobility of the workforce, social protection systems, food safety and food security issues;
  - (l) Arctic issues;
  - (m) the development of regional cooperation in the Caribbean, the Indian Ocean, the Atlantic and the Pacific;
  - (n) the development of intraregional cooperation in the Arctic, the Caribbean, the Indian Ocean, the Atlantic and the Pacific.
3. Cooperation in the areas of mutual interest shall aim at the promotion of OCTs' self-reliance and of the development of OCTs' capacities to formulate, implement and monitor strategies and policies set out in paragraph 2.

### *Article 6*

#### **Promotion of the association**

1. With an aim to strengthen their mutual relations, the Union and the OCTs shall endeavour to make the association known among their citizens, in particular by promoting the development of the links and cooperation between the authorities, academic community, civil society and businesses of OCTs on the one hand and their interlocutors within the Union on the other.

2. OCTs shall make efforts to strengthen and promote their relations with the Union as a whole. The Member States shall support these efforts.

### *Article 7*

#### **Regional cooperation, regional integration and cooperation with other partners**

1. Subject to Article 3 of this Decision, the association shall support the OCTs in their efforts to take part in relevant international, regional and/or sub-regional cooperation initiatives as well as regional or sub-regional integration processes, in line with their own aspirations and in accordance with objectives and priorities defined by the competent OCTs' authorities.
2. To this end, the Union and the OCTs may exchange information and best practices or establish any other form of close cooperation and coordination with other partners in the context of the OCTs' participation in regional and international organisations, where appropriate by means of international agreements.
3. The association aims at supporting cooperation between the OCTs and other partners in the areas of cooperation set out in Parts II and III of this Decision. In that respect, the objective of the association is to promote the cooperation between the OCTs and the outermost regions, referred to in Article 349 TFEU, their neighbouring ACP [and non ACP states] [and territories<sup>17</sup>]. In order to achieve that objective, the Union shall improve coordination and synergies between the relevant Union programmes or instruments. The Union shall also endeavour to associate OCTs in its instances of dialogue with their neighbouring countries, whether they are ACP [or non-ACP States] [or territories], and with the outermost regions, where appropriate.

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<sup>17</sup> [The term 'territories' means the 12 UK OCTs which were listed in Annex II to the Treaty on the Functioning of the European Union at the time of the notification received by the European Council on 29 March 2017 of the United Kingdom's withdrawal from the European Union and Euratom based on Article 50 of the Treaty on European Union.]

4. The support to OCTs' participation in relevant regional integration organisations shall focus in particular on:
- (a) capacity building of relevant regional organisations and institutions of which OCTs are members;
  - (b) regional or sub-regional initiatives such as the implementation of sectoral reform policies relating to the areas of cooperation identified in Parts II and III of this Decision;
  - (c) the awareness and knowledge of the OCTs on the impacts of regional integration processes in different areas;
  - (d) OCTs' participation in the development of regional markets within the context of regional integration organisations;
  - (e) cross-border investment between OCTs and their neighbours.

#### *Article 8*

#### **Participation in European Groupings of Territorial Cooperation**

In the application of Article 7(1), (2) and (3) of this Decision, the cooperation initiatives or other forms of cooperation shall also mean that governmental authorities, regional and sub-regional organisations, local authorities and, where appropriate, other public and private bodies or institutions (including public service providers) from an OCT may participate in a European Grouping of Territorial Cooperation (EGTC) subject to the rules and objectives of the cooperation activities of this Decision and those of Regulation (EU) No 1302/2013<sup>18</sup> and in accordance with the arrangements applicable to the Member State to which the OCT is linked.

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<sup>18</sup> Regulation (EU) No 1302/2013 of the European Parliament and of the Council of 17 December 2013 amending Regulation (EC) No 1082/2006 on a European grouping of territorial cooperation (EGTC) as regards the clarification, simplification and improvement of the establishment and functioning of such groupings, OJ L 347, 20.12.2013, p. 303.

### *Article 9*

#### **Specific treatment**

1. The association shall take into account the diversity of the OCTs in terms of economic development and capacity to fully benefit from regional cooperation and regional integration referred to in Article 7.
2. A specific treatment shall be established for isolated OCTs.
3. In order to enable isolated OCTs to overcome structural and other obstacles to their development, this specific treatment shall take account of their specific difficulties, *inter alia*, when determining the volume of financial assistance and the conditions attached thereto.
4. The OCT which shall be considered to be isolated is St Pierre et Miquelon.

## **CHAPTER 2**

### **COOPERATION**

### *Article 10*

#### **General Approach**

1. The association shall be based on a broad dialogue and consultations on issues of mutual interest between the OCTs, the Member States to which they are linked and the Commission, and, if appropriate, the European Investment Bank (EIB), as well as other EU institutions and bodies.

2. The OCTs shall organise, where appropriate, a dialogue and consultations with authorities and bodies such as:
  - (a) the competent local and other public authorities;
  - (b) the economic and social partners;
  - (c) any other appropriate body representing civil society, such as, environmental partners, non-governmental organisations, and bodies responsible for promoting equality between men and women.

### *Article 11*

#### **Actors of cooperation**

1. Actors of cooperation in the OCTs shall include:
  - (a) the OCTs' governmental authorities;
  - (b) the local authorities within the OCTs;
  - (c) public service providers and civil society organisations, such as social, business, employers' and trade union associations, and local, national or international non-governmental organisations;
  - (d) regional and sub-regional organisations.
2. The Member States to which the OCTs are linked shall inform the Commission of the governmental and local authorities referred to in points (a) and (b) of paragraph 1.



## *Article 12*

### **Responsibilities of the non-governmental actors**

1. Non-governmental actors may play a role in the exchange of information and consultations concerning the cooperation, and in particular for the preparation and implementation of cooperation assistance, projects or programmes. They may receive a delegation of financial management powers for implementing such projects or programmes for the purpose of supporting local development initiatives.
2. Non-governmental actors eligible for decentralised management of projects or programmes shall be identified by agreement between the OCT authorities, the Commission and the Member State to which the OCT is linked, taking into account the subject concerned, their expertise and field of activity. The process of identification shall be conducted in each OCT as part of the broad dialogue and consultations referred to in Article 10.
3. The association aims at contributing to the efforts of the OCTs to strengthen civil society organisations, concerning in particular their creation and development, and the development of the arrangements necessary for opening their involvement in the design, implementation and evaluation of development strategies and programmes.

## **CHAPTER 3**

### **INSTITUTIONAL FRAMEWORK OF THE ASSOCIATION**

## *Article 13*

### **Guiding principles for dialogue**

1. The Union, the OCTs and the Member States to which they are linked shall regularly engage in a comprehensive and political dialogue.

2. The dialogue shall be conducted in full compliance with the respective institutional, legal and financial powers of the Union, of the OCTs and of the Member States to which they are linked. The dialogue shall be conducted in a flexible manner. It may be formal or informal, at an appropriate level or format, and shall be conducted within the framework referred to in Article 14.
3. The dialogue shall enable the OCTs to take a full part in the implementation of the association.
4. The dialogue shall focus, *inter alia*, on specific political issues of mutual concern or of general significance for the attainment of the objectives of the association.
5. The dialogue with OCTs, including Greenland, shall, in particular, provide the basis for broad cooperation and dialogue in areas concerning, *inter alia*, education, energy, climate change, nature, environment, blue economy, natural resources, including raw materials and fish stocks, maritime transport, research and innovation, as well as the Arctic dimension of those issues, where relevant.

#### *Article 14*

##### **Instances of the association**

1. The association shall establish the following instances of dialogue:
  - (a) an OCTs-EU forum for dialogue (the ‘OCT-EU Forum’), shall meet annually to bring together OCTs' authorities, representatives of the Member States and the Commission. Members of the European Parliament, representatives of the EIB, and representatives of the outermost regions shall, where appropriate, be associated with the OCTs-EU Forum;

- (b) on a regular basis, the Commission, the OCTs and the Member States to which they are linked shall hold trilateral consultations. These consultations shall be organised at least four times a year on the initiative of the Commission or at the request of the OCTs and of the Member States to which they are linked. Member States will be informed about the results of the consultations appropriately;
  - (c) in agreement between the OCTs, the Member States to which they are linked and the Commission, working parties, acting in an advisory capacity, shall be set up to follow the implementation of the association, in a form appropriate to the issues to be addressed. These working parties may be convened at the request of the Commission, of a Member State or of an OCT. They shall provide for technical discussions on matters which are of specific concern to the OCTs and the Member States to which they are linked, complementing the work that is being done in the OCTs-EU Forum and/or in the trilateral consultations.
2. The Commission shall chair the OCTs-EU Forum, the trilateral consultations and the working parties and shall provide their secretariat. The working orientations of the trilateral consultations shall be jointly defined by the Commission, the OCTs and the Member States to which they are linked. The working orientations of the OCTs-EU Forum shall be jointly defined by the Commission, the OCTs, the Member States to which they are linked and other interested Member States.

# **PART II**

## **AREAS OF COOPERATION FOR SUSTAINABLE DEVELOPMENT IN THE FRAMEWORK OF THE ASSOCIATION**

### **CHAPTER 1**

#### **ENVIRONMENTAL ISSUES, CLIMATE CHANGE, OCEANS AND DISASTER REDUCTION**

##### *Article 15*

##### **General principles**

In the context of the association, cooperation in the field of nature, environment, climate change and disaster risk reduction may concern:

- (a) support to the OCTs' efforts to define and implement policies, strategies, action plans and measures;
- (b) support to the OCTs' efforts to integrate in regional, EU and global networks and initiatives;
- (c) the promotion of sustainable resource use and resource efficiency, and encouragement to the decoupling of economic growth from environmental degradation; and;
- (d) support to the OCTs' efforts to act as regional hubs and centres of excellence.

## *Article 16*

### **Sustainable management and conservation of biodiversity and ecosystem services**

In the context of the association, cooperation in the field of sustainable management and conservation of biodiversity, and ecosystem services may concern:

- (a) the promotion of the establishment and effective management of marine and terrestrial protected areas and improved management of existing protected areas;
- (b) the encouragement of sustainable management of marine and terrestrial resources, which contribute to protecting species, habitats and ecosystem functions outside protected areas, in particular, endangered, vulnerable and rare species;
- (c) the strengthening of conservation and sustainable use of marine and terrestrial biodiversity and ecosystems by:
  - (i) addressing the wider ecosystem challenge of climate change by maintaining healthy, resilient ecosystems and fostering green and blue infrastructure and ecosystem-based approaches to climate change adaptation and mitigation which often bring multiple benefits;
  - (ii) strengthening capacities at a local, regional and/or international scale, by promoting exchange of information, knowledge, including indigenous, traditional and local knowledge, and best practices amongst all stakeholders including public authorities, landowners, private sector, researchers and civil society;
  - (iii) strengthening existing nature conservation programmes and related efforts within and outside conservation areas;
  - (iv) broadening the knowledge base and filling the knowledge gaps, including quantifying the value of ecosystem functions and services and developing long-term monitoring programmes of the development of species and ecosystems;

- (d) the encouragement and facilitation of regional cooperation in order to address issues such as invasive alien species or the impacts of climate change and the sustainable conservation of oceans;
- (e) the development of mechanisms to leverage resources including payments for ecosystem services.

#### *Article 17*

### **Sustainable forest management**

In the context of the association, cooperation in the field of sustainable forest management may concern the promotion of the conservation and sustainable management of forests, including their role in the conservation of the environment from erosion and desertification control, afforestation and management of timber exports.

#### *Article 18*

### **Integrated coastal zone management**

In the context of the association, cooperation in the field of integrated coastal zone management may concern:

- (a) the support to the efforts of the OCTs towards an effective sustainable management of marine and coastal zones in defining strategic and integrated approaches to marine and coastal zone planning and management, including support for long-term monitoring programmes;
- (b) conciliation of economic and social activities such as fisheries and aquaculture, tourism, maritime transports and agriculture with the potential of marine and coastal zones in terms of renewable energy, water resources, raw materials, whilst taking into account impacts of climate change and human activities.

## *Article 19*

### **Oceans**

1. In the context of the association, cooperation in the field of international ocean governance may concern:
  - (a) the strengthening of the dialogue on issues of common interest in that field;
  - (b) the promotion of marine knowledge and biotechnology, ocean energy, maritime surveillance, coastal zone management and an ecosystem-based management, including through monitoring of the marine ecosystems;
  - (c) the promotion of integrated approaches at regional and international level;
  - (d) the active promotion of good governance, best practices and responsible fisheries management in the conservation and sustainable management of fish stocks, including fish stocks of common interest and those managed by regional fisheries management organisations;
  - (e) the local development of responsible fisheries processing industries;
  - (f) dialogue and cooperation regarding the conservation of fish stocks including measures to fight illegal, unreported and unregulated fishing and effectively cooperating with and within regional fisheries management organisations. Dialogue and cooperation shall include control and inspection schemes, incentives and obligations for a more effective management of fisheries and coastal environments in the long term.
2. In the context of the association, and while ensuring consistency and complementarity with existing Fisheries Partnership Agreements, cooperation referred to in paragraph 1 (d) and (f) shall be based on the following principles:
  - (a) commitment to responsible fisheries management and fishing practices;

- (b) refraining from measures or activities that are inconsistent with the principles of sustainable exploitation of fisheries resources and sustainable local development;
- (c) taking into account existing or possible future bilateral Fisheries Partnership Agreements between the Union and the OCTs, the Union and the OCTs shall aim to regularly consult each other on the conservation and management of the living marine resources and to exchange information on the ongoing state of resources within the context of the relevant instances of the association provided for in Article 14.

### *Article 20*

#### **Sustainable water management**

1. In the context of the association, the Union and the OCTs may cooperate in the area of sustainable water management through water policy and institution building, protecting water resources, water supplies in rural and urban areas for domestic, industrial or agricultural purposes, storage, distribution and management of water resources, the reduction of water loss and efficient use of water and waste water management.
2. In the field of water supply and sanitation sector, particular attention shall be given to access in under-served areas to clean and affordable drinking water supply and sanitation services and those particularly exposed to natural disasters, which contribute directly to human resources development by improving the state of health and increasing productivity.
3. Cooperation in these areas shall be guided by the principle that the continuing need to extend the provision of basic services in water and sanitation to both urban and rural populations must be addressed in environmentally sustainable ways. Priority shall be given to the development of an active and climate-sensitive water resource management.



## *Article 21*

### **Waste management**

In the context of the association, cooperation in the field of waste management may concern the promotion of the use of the best environmental practice in all operations related to waste management. Such cooperation may also concern the reduction of waste, including ocean plastic waste, recycling or other processes of recovery, e.g. energy recovery and waste disposal.

## *Article 22*

### **Energy**

In the context of the association, cooperation in the field of sustainable energy may concern:

- (a) sustainable energy production, distribution and access, in particular the development, promotion, use and storage of low-carbon energy from renewable energy sources;
- (b) energy policies and regulations, in particular the formulation of policies and adoption of regulations guaranteeing affordable and sustainable energy tariffs;
- (c) energy efficiency, in particular the development and introduction of energy efficiency standards and implementation of energy efficiency measures in different sectors (industrial, commercial, public and households), as well as accompanying educational and awareness activities;
- (d) transport, in particular the development, promotion and use of more environmentally friendly public and private transport means such as hybrid, electric or hydrogen vehicles, carpooling and cycling schemes;
- (e) town planning and construction, in particular the promotion and introduction of high environment quality standards and high energy performance in urban planning and construction; and

- (f) tourism, in particular the promotion of energy self-sufficient (renewable energy based) and/or green tourism infrastructures.

### *Article 23*

#### **Raw materials**

In the context of the association, cooperation in the field of raw materials, including rare earths may concern the promotion of a raw material sector which is sustainable in respect of all operations related to mining, and which aims at:

- (a) an efficient and optimal use of resources;
- (b) the promotion of responsible consumption and recycling;
- (c) the development and strengthening of environmental protection at local and regional level;
- (d) environmentally friendly handling and exploitation;
- (e) the strengthening of capacities, training, innovation, research and business measures for raw material exploitation and extraction on a local, regional and national level, in accordance with international labour standards;
- (f) the sustainable management of socio-economic impacts of exploitation and extraction of raw materials;
- (g) taking into account the views of stakeholders involved in raw materials activities.

### *Article 24*

#### **Climate change**

In the context of the association, cooperation in the field of climate change shall aim to support the initiatives of the OCTs concerning climate change mitigation and adaptation to the adverse effects of climate change, and may cover:

- (a) the development of evidence; identification of key risks and territorial, regional and/or international actions, plans, or measures in view of adapting to climate change or mitigating its adverse effects;
- (b) contributing to partners countries' efforts to pursue their commitments on climate change in line with the Paris Agreement on Climate Change;
- (c) the integration of adaptation to climate change and its mitigation in public policies and strategies;
- (d) the elaboration and identification of statistical data and indicators, essential tools for policy making and implementation; and
- (e) the promotion of the participation of the OCTs in regional and international dialogue in order to foster cooperation, including exchange of knowledge and experience.

#### *Article 25*

#### **Disaster risk reduction**

In the context of the association, cooperation in the field of disaster risk reduction may concern:

- (a) the development or perfection of systems, including infrastructures, for disaster prevention and preparedness, including prediction and early-warning systems, with a view to reducing the consequences of disasters;
- (b) the development of detailed knowledge of the exposure to the disasters and the current response capacities in the OCTs and in the regions where they are located;
- (c) the strengthening of existing measures of disaster prevention and preparation at local, national and regional levels;

- (d) the improvement of response capacities of the actors concerned, to render them more coordinated, effective and efficient;
- (e) the improvement of awareness-raising and information to the population regarding the exposure to risks, prevention, preparation and the response in the event of disaster, with due attention to the specific needs of persons with disabilities;
- (f) the strengthening of collaboration between key actors involved in civil protection;
- (g) the promotion of International Disaster-Risk Reduction initiatives, such as the Sendai Framework for Disaster Risk Reduction 2015-2030; and
- (h) the promotion of the participation of the OCTs in regional, European and/or international instances in order to allow a more regular exchange of information and a closer cooperation among the different partners in the event of disaster.

## **CHAPTER 2**

### **ACCESSIBILITY**

#### *Article 26*

#### **General objectives**

1. In the context of the association, cooperation in the field of accessibility shall aim to:
  - (a) ensure greater access of OCTs to global transport networks; and
  - (b) ensure greater access of OCTs to information and communication technologies and services.

2. Cooperation in the context referred to in paragraph 1 may encompass:
  - (a) policy and institution building;
  - (b) transport by road, rail, air, sea or inland waterway;
  - (c) storage facilities in sea- and airports; and
  - (d) security of supply for remote areas and isolated islands.

### *Article 27*

#### **Maritime transport**

1. In the context of the association, cooperation in the field of maritime transport shall aim to the development and promotion of cost-effective and efficient maritime transport services in the OCTs and may concern:
  - (a) the promotion of efficient and low-carbon shipments of cargo at economically and commercially viable rates;
  - (b) the facilitation of greater participation of the OCTs in international shipping services;
  - (c) the encouragement of regional programmes;
  - (d) the support to local private sector involvement in shipping activities; and
  - (e) the development of sustainable and resilient infrastructure.
2. The Union and the OCTs shall promote shipping safety, security of crews and the prevention of pollution.

3. The Union and the OCTs shall promote maritime safety and security, protection of the marine environment, living-working conditions on board in line with the relevant international conventions and EU legislative framework.

#### *Article 28*

#### **Air transport**

In the context of the association, cooperation in the field of air transport may concern:

- (a) the reform and modernisation of the OCTs' air transport industries;
- (b) the promotion of the commercial viability and competitiveness of the OCTs' air transport industries;
- (c) the facilitation of private sector investment and participation; and
- (d) the promotion of exchange of knowledge and good business practice, taking into account sustainability and climate change mitigation issues.

#### *Article 29*

#### **Air transport safety and security**

In the context of the association, cooperation in the fields of air transport safety and security shall aim to support the OCTs in their efforts to comply with the relevant EU and international standards and may cover *inter alia*:

- (a) the implementation of the EU aviation safety system, and of international standards where relevant;
- (b) the implementation of airport security and strengthening of the capacity of civil aviation authorities to manage all aspects of operational security placed under their control; and
- (c) the development of infrastructures and human resources.

## *Article 30*

### **Information and communication technologies services**

In the context of the association, cooperation in the field of information and communication technology (ICT) services shall aim to address the digital divide and spur, in the OCTs, digital accessibility, innovation, economic growth and improvements in daily life for both citizens and businesses, including the promotion of accessibility for persons with disabilities. Cooperation shall, in particular, be directed at enhancing OCTs' regulatory capacity and may support the expansion of ICT networks and services, including adequate and reliable electronic communications networks, in order to ensure that natural persons and businesses from OCTs can benefit from digital services, through the following measures:

- (a) creation of a predictable regulatory environment that keeps pace with technological developments, stimulates growth and innovation and fosters competition and consumer protection;
- (b) dialogue on the various policy aspects regarding the promotion and monitoring of the information society;
- (c) exchange of information on standards and interoperability issues;
- (d) promotion of cooperation in the field of ICT research and in the field of ICT-based research infrastructures;
- (e) development of services and applications in domains of high societal impact;
- (f) education and training, especially for young people.

## CHAPTER 3

### RESEARCH AND INNOVATION

#### *Article 31*

#### ***Cooperation in research and innovation***

In the context of the association, cooperation in the field of research and innovation may cover science, energy, climate change, disaster resilience, natural resources including raw materials, and sustainable use of living resources.

It may also cover technology, including information and communication technologies, with the aim of contributing to the OCTs' sustainable development and to promoting the OCTs' role as regional hubs and centres of excellence as well as their industrial competitiveness. In particular, cooperation may concern:

- (a) dialogue, coordination and creation of synergies between OCTs and Union policies and initiatives with regard to science, technology and innovation;
- (b) policy and institutional building within OCTs and concerted actions at local, national or regional level, with a view to developing science, technology and innovation activities and their application;
- (c) cooperation between legal entities from the OCTs, the Union, the Member States [and the third countries];



- (d) participation of individual researchers, research bodies and legal entities from OCTs in the European Framework Programmes for Research and Innovation and the Programme for the Competitiveness of Enterprises and small and medium size enterprises (COSME), also linking them to already supported activities of these programmes with the aim to ensure complementarity of activities; and
- (e) training, international mobility and exchange of researchers from OCTs.

## **CHAPTER 4**

# **YOUTH, EDUCATION, TRAINING, PROTECTION OF THE RIGHTS OF THE CHILD, HEALTH, EMPLOYMENT, SOCIAL SECURITY, FOOD SAFETY AND FOOD SECURITY**

### *Article 32*

#### ***Youth***

The association aims at strengthening the ties between young people living in the OCTs and the Union, among others by promoting learning mobility of OCTs youth and by fostering mutual understanding between young people.

### *Article 33*

#### **Education and training**

1. In the context of the association, cooperation in the field of education and training may cover:

- (a) the provision of high quality, inclusive education at primary, secondary and higher education level and in the area of vocational education and training; and
  - (b) the support to the OCTs in defining and implementing education and vocational training policies.
2. The Union shall ensure that educational bodies and institutes from OCTs can take part in education related cooperation initiatives of the Union on the same basis as the educational and vocational training bodies and institutes of the Member States.

#### *Article 34*

### **Protection of the rights of the child**

1. In the context of the association, the Union shall ensure the comprehensive protection and promotion of the rights of the child in the OCTs, giving special attention to the girls and boys who are in disadvantaged, vulnerable and marginalised situations to ensure that no child is left behind.
2. The association aims at taking a life-cycle approach to child development to ensure that children's rights and needs are recognised and realised in a gender- and age-appropriate way. It acknowledges that this approach is critical for the transition into adulthood and for human development.

#### *Article 35*

### **Employment and social policy**

1. The Union and the OCTs shall maintain dialogue in the area of employment and social policy in order to contribute to the economic and social development of the OCTs and the promotion of decent work in the OCTs and regions where they are located. Such a dialogue shall also aim at supporting the efforts of the OCTs' authorities to develop policies and legislation in this area, taking into account the dialogue established by the OCTs with the International Labour Organisation.

2. The dialogue shall mainly consist of exchange of information and best practices relating to policies and legislation in the area of employment and social policy that are of mutual interest to the Union and the OCTs. In this regard, areas such as skills development, social protection, social dialogue, equal opportunities, non-discrimination and accessibility for persons with disabilities, health and safety at work and other labour standards shall be taken into consideration.

### *Article 36*

#### **Public health, food safety, and food and nutrition security**

In the context of the association, cooperation in the field of public health and food safety shall aim, *inter alia*, to reduce the burden of communicable and non-communicable diseases and, in particular, to develop, strengthen, and maintain the OCTs' capacity for epidemiological surveillance, monitoring, early warning, risk assessment and response to serious cross-border health threats through measures including:

- (a) actions to strengthen preparedness and response planning against health emergencies such as outbreaks of communicable diseases including through the implementation of the International Health Regulations, ensure interoperability between the health sector and other sectors, and continuous delivery of critical services and products, and address challenges related to geographical remoteness;
- (b) capacity building through strengthening public health networks at regional level, facilitating exchange of information among experts and promoting adequate training, including in the field of food safety;
- (c) development of tools and communication platforms, including rapid alert systems, as well as e-learning programs adapted to OCTs' particular needs;

- (d) actions to prevent and reduce food related outbreaks and address food safety, and food and nutrition security issues;
- (e) actions to reduce the burden of non-communicable diseases in the framework of achieving the sustainable development goals.

## **CHAPTER 5**

### **CULTURE AND TOURISM**

#### *Article 37*

#### **Cultural exchanges and dialogue**

1. In the context of the association, cooperation in the field of cultural exchanges and dialogue may concern:
  - (a) the self-reliant development of the OCTs, this being a process centred on people themselves and rooted in each people's culture;
  - (b) the support to the policies and measures adopted by the competent authorities of OCTs to enhance their human resources, increase their own creative capacities and promote their cultural identities;
  - (c) the participation by the population in the process of development;
  - (d) the development of a common understanding and enhanced exchange of information on cultural and audio-visual matters through dialogue.

2. Through their cooperation the Union and the OCTs shall seek to stimulate cultural exchanges between each other through:
  - (a) cooperation between the cultural and creative sectors of all partners;
  - (b) promotion of the circulation of cultural and creative works and operators between them;
  - (c) policy cooperation in order to foster policy development, innovation, audience building and new business models.

### *Article 38*

#### **Audio-visual cooperation**

1. In the context of the association, cooperation in the audio-visual field aims at promoting each other's audio-visual productions and may cover the following actions:
  - (a) cooperation and exchange between the respective broadcasting industries;
  - (b) encouraging exchange of audio-visual works;
  - (c) exchange of information and views on audio-visual and broadcasting policy and regulatory framework between competent authorities;
  - (d) encouraging visits to and participation in international events held in each other's territory as well as in third countries.
2. Co-produced audio-visual works shall be entitled to benefit from any scheme for the promotion of local or regional cultural content set up in the Union, the OCTs and the Member States to which they are linked.

### *Article 39*

#### **Performing arts**

In the context of the association, cooperation in the field of performing arts may concern:

- (a) the facilitation of increased contacts between practitioners of performing arts in areas such as professional exchanges and training including participation in auditions, development of networks and promotion of networking;
- (b) the encouragement of joint productions between producers of one or several Member States of the Union and one or several OCTs; and
- (c) the encouragement of the development of international theatre technology standards and the use of theatre stage signs, including through appropriate standardisation bodies.

### *Article 40*

#### **Protection of cultural heritage and historic monuments**

In the context of the association, cooperation in the field of tangible and intangible cultural heritage and historic monuments aims at allowing the promotion of exchanges of expertise and best practices through:

- (a) the facilitation of exchanges of experts;
- (b) the collaboration on professional training;
- (c) the awareness of the local public; and
- (d) the counselling on the protection of the historic monuments and protected spaces and on the legislation and implementation of measures related to heritage, in particular its integration into local life.

*Article 41*

**Tourism**

In the context of the association, cooperation in the field of tourism may include:

- (a) measures aiming at defining, adapting and developing sustainable tourism policies;
- (b) measures and operations to develop and support sustainable tourism;
- (c) measures aiming at integrating sustainable tourism into the social, cultural and economic life of OCTs citizens.

## **CHAPTER 6**

### **FIGHT AGAINST ORGANISED CRIME**

*Article 42*

**Fight against organised crime, trafficking in human beings, child sexual abuse, sexual exploitation, gender-based violence, terrorism and corruption**

1. In the context of the association, cooperation in the field of organised crime may include:
  - (a) the development of innovative and effective means of police and judicial cooperation, including cooperation with other stakeholders such as civil society and national human rights institutions, in the prevention of and fight against organised crime, trafficking in human beings, child sexual abuse, sexual exploitation, gender-based violence, terrorism and corruption; and

- (b) support in order to increase the efficiency of OCTs' policies to prevent and fight against organised crime, trafficking in human beings, child sexual abuse, sexual exploitation, gender-based violence, terrorism and corruption, as well as the production, distribution and trafficking of all kinds of narcotic drugs and psychotropic substances, preventing and reducing drug use and drug-related harms, taking into account work carried out in these areas by international bodies, through *inter alia*:
- (i) training and capacity building in preventing and fighting organised crime, including trafficking in human beings, child sexual abuse, sexual exploitation, gender-based violence, terrorism and corruption;
  - (ii) prevention including training, education and health promotion, treatment and rehabilitation of dependent drug users, including projects for the reintegration of dependent drug users into work and social environments;
  - (iii) development of effective enforcement measures;
  - (iv) technical, financial and administrative assistance on the development of effective policies and legislation on trafficking in human beings, in particular awareness raising campaigns, referral mechanisms and victim protection systems, involving all relevant stakeholders and civil society;
  - (v) technical, financial and administrative assistance relating to the prevention, treatment and reduction of harms related to drug use;
  - (vi) technical assistance to support the development of legislation and of policy against child sexual abuse, sexual exploitation and gender-based violence; and
  - (vii) technical assistance and training to support capacity building and encourage compliance with international anti-corruption standards notably those set out in the UN Convention against Corruption.



2. In the context of the association, the OCTs shall cooperate with the Union as regards combatting money laundering and the financing of terrorism in accordance with Article 72.

## **PART III**

# **TRADE AND TRADE RELATED COOPERATION**

## **TITLE I**

### **GENERAL PROVISIONS**

#### *Article 43*

#### **Specific objectives**

The objectives of the trade and trade-related cooperation between the Union and the OCTs are to:

- (a) promote the economic and social development of the OCTs by establishing close economic relations between them and the Union as a whole;
- (b) stimulate the OCTs' effective integration in the regional and world economies and the development of trade in goods and services;
- (c) support OCTs in creating a favourable investment climate to support social and economic development of OCTs;
- (d) promote the stability, integrity and transparency of the global financial system, and good governance in the tax area;
- (e) support the process of diversification of OCTs economies;

- (f) support OCTs capacities to formulate and implement policies necessary for the development of their trade in goods and services;
- (g) support the OCTs' export and trading capacities;
- (h) support OCTs' efforts to align or converge their local legislation with Union legislation, where relevant;
- (i) provide possibilities for targeted cooperation and dialogue with the Union on trade and trade-related areas;
- (j) encourage OCTs in expressing their views in the context of any relevant public consultation activities or any existing relevant tool linked to the design and impact assessment of the negotiation of EU free trade agreements; and
- (k) where relevant, take account of the OCTs in impact analyses accompanying the launch and negotiation of Free Trade Agreements by the EU.

# **TITLE II**

## **ARRANGEMENTS FOR TRADE IN GOODS AND SERVICES AND ESTABLISHMENT**

### **CHAPTER 1**

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

##### *Article 44*

##### **Free access for originating goods**

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

##### *Article 45*

##### **Quantitative restrictions and measures having equivalent effect**

1. The Union shall not apply to imports of products originating in the OCTs any quantitative restrictions or measures having equivalent effect
2. Paragraph 1 shall not preclude prohibitions or restrictions on imports, exports or goods in transit justified on grounds of public morality or public policy, the protection of health and life of humans, animals and plants, the protection of national treasures possessing artistic, historic or archaeological value, the conservation of exhaustible natural resources or the protection of industrial and commercial property.

3. Prohibitions or restrictions referred to in paragraph (2) shall in no case constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction of trade generally.

#### *Article 46*

#### **Measures adopted by the OCTs**

1. The authorities of the OCTs may retain or introduce, in respect of imports of products originating in the Union, such customs duties or quantitative restrictions as they consider necessary in view of their respective development needs.
2. For the fields covered by this Chapter, the OCTs shall grant to the Union a treatment no less favourable than the most favourable treatment applicable to any major trading economy as defined in paragraph 4.
3. Paragraph 2 shall not preclude an OCT from granting certain other OCTs or other developing countries more favourable treatment than that accorded to the Union.
4. For the purposes of this Title, a ‘major trading economy’ means any developed country, or any country accounting for a share of world merchandise exports above one per cent, or, without prejudice to paragraph 3, any group of countries acting individually, collectively or through an economic integration agreement accounting collectively for a share of world merchandise exports above 1,5 %. For this calculation, the latest available official data by the WTO on leading exporters in world merchandise trade (excluding intra-Union trade) shall be used.
5. The authorities of the OCTs shall communicate to the Commission the customs tariffs and lists of quantitative restrictions which they apply in compliance with this Decision. The authorities of the OCTs shall also communicate to the Commission any subsequent amendments to such measures as and when they are adopted.

## *Article 47*

### **Non-discrimination**

1. The Union shall not discriminate between OCTs and the OCTs shall not discriminate between Member States.
2. In compliance with Article 66, the implementation of the specific provisions in this Decision and in particular its Article 45(2), Articles 46 and 49, 50 and 52 and Article 59 (3) shall not be deemed to constitute a discrimination.

## *Article 48*

### **Conditions for movements of waste**

1. Movements of waste between the Member States and the OCTs shall be controlled in accordance with international law, in particular the Basel Convention<sup>19</sup>, and Union law. The Union shall support the establishment and development of effective international cooperation in this area with a view to protecting the environment and public health.
2. As regards those OCTs which, due to their constitutional status, are not Party to the Basel Convention, their relevant authorities shall expedite adoption of the necessary internal legislation and administrative regulations to implement the provisions of the Basel Convention in those OCTs.
3. The Member States to which OCTs are linked shall promote the adoption by the OCTs of the necessary internal legislation and administrative regulations to implement relevant Union law concerning waste and waste shipments.

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<sup>19</sup> Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal, signed on 22 March 1989.

4. An OCT and the Member State to which it is linked may apply their own procedures to export of waste from the OCT to that Member State. In such cases, the Member State to which the OCT is linked shall notify to the Commission of the applicable legislation as well as any subsequent amendments to such legislation.

#### *Article 49*

### **Temporary withdrawal of preferences**

Where the Commission considers that there are sufficient grounds to question whether this Decision is being correctly implemented, the Commission shall enter into consultations with the OCT and the Member State with which the OCT has special relations, in order to ensure the proper implementation of this Decision. In case the consultations do not lead to a mutually acceptable way of implementing this Decision, the Union may temporarily withdraw preferences from the OCT concerned in accordance with Annex III.

#### *Article 50*

### **Safeguard and surveillance measures**

In order to ensure the proper implementation of this Decision, the Union may take the safeguard and surveillance measures set out in Annex IV.

## CHAPTER 2

# ARRANGEMENTS FOR TRADE IN SERVICES AND FOR ESTABLISHMENT

### *Article 51*

#### **Definitions**

For the purposes of this Chapter:

- (a) ‘natural person from an OCT’ means a natural person ordinarily resident in an OCT who is a national of a Member State or who enjoys a legal status specific to an OCT. This definition is without prejudice to the rights conferred by citizenship of the Union within the meaning of the TFEU;
- (b) ‘legal person of an OCT’ means a legal person of the OCT set up in accordance with the laws applicable in a given OCT, and having its registered office, its central administration, or its principal place of business in the territory in this OCT. Should the legal person have only its registered office or central administration in the OCT, it shall not be considered as a legal person of the OCT, unless it engages in an activity which has a real and continuous link with the economy of that country or territory;
- (c) the respective definitions laid down in the economic integration agreements referred to in Article 52 (1) shall apply to the treatment accorded between the Union and the OCTs.

**Most favourable treatment**

1. With respect to any measures affecting trade in services and establishment in economic activities:
  - (a) the Union shall accord to natural and legal persons of the OCTs a treatment no less favourable than the most favourable treatment applicable to like natural and legal persons of any third country with whom the Union concludes or has concluded an economic integration agreement;
  - (b) an OCT shall accord to the natural and legal persons of the Union a treatment no less favourable than the most favourable treatment applicable to like natural and legal persons of any major trading economy with whom it has concluded an economic integration agreement after 1 January 2014.
2. The obligations provided for in paragraph 1 of this Article shall not apply to treatment granted:
  - (a) in the framework of an internal market or economic integration agreement requiring the parties thereto to significantly approximate their legislation with a view to removing non-discriminatory obstacles to establishment and to trade in services;
  - (b) under measures providing for recognition of qualifications or licences. This is without prejudice to OCTs specific measures under this Article;
  - (c) under any international agreement or arrangement relating wholly or mainly to taxation;
  - (d) under measures benefiting from the coverage of a most-favoured nation exemption listed in accordance with Article II.2 of the GATS.



3. Nothing in this Decision shall prevent either the Union or the OCTs from adopting or maintaining measures for prudential reasons, including for:
  - (a) the protection of investors, depositors, policy-holders or persons to whom a fiduciary duty is owed by a financial service supplier; or
  - (b) to ensure the integrity and stability of a Party's financial system.
4. The authorities of an OCT may with a view to promoting or supporting local employment, adopt regulations to aid their natural persons and local activities. In this event, the OCT authorities shall notify the Commission of the regulations they adopt so that it may inform the Member States thereof.

## **TITLE III**

### **TRADE RELATED AREAS**

#### **CHAPTER 1**

### **TRADE AND SUSTAINABLE DEVELOPMENT**

#### *Article 53*

##### **General approach**

Trade and trade-related cooperation under the association aims at contributing to sustainable development in its economic, social and environmental dimensions. In this context, the domestic environmental or labour laws and regulations of OCTs shall not be lowered in order to encourage trade or investment.

#### *Article 54*

### **Environmental and climate change standards in trade**

1. Trade and trade-related cooperation under the association aims at enhancing the mutual supportiveness between trade and environmental policies and obligations. For those purposes, trade-related cooperation under the association shall take into account the principles of international environmental governance and multilateral environmental agreements.
2. Trade-related cooperation shall aim to support the ultimate objectives of the United Nations Framework Convention on Climate Change (UNFCCC) and the implementation of the Paris Agreement. It may also extend to cooperation on other trade related multilateral environmental agreements, such as the Convention on Trade in Endangered Species.

#### *Article 55*

### **Labour standards in trade**

1. The association aims at promoting trade in such a way that it is conducive to full and productive employment and decent work for all.
2. The internationally recognised core labour standards, as defined by the relevant International Labour Organisation Conventions, shall be respected and implemented in law and practice. Such labour standards include in particular respect for freedom of association, right to collective bargaining, abolition of all forms of forced or compulsory labour, elimination of the worst forms of child labour, the minimum age for admission to employment and non-discrimination in respect to employment. The OCTs shall ensure effective labour inspection, effective measures for occupational safety and health, consistent with relevant ILO Conventions and decent working conditions for all.

## *Article 56*

### **Sustainable trade in fisheries products**

The association may include cooperation to promote the sustainable management of fish stocks, as well as to combat illegal, unreported and unregulated fishing and related trade. Cooperation in this field should aim at:

- (a) facilitating cooperation between OCTs and regional fisheries management organisations, in particular with respect to the development and effective implementation of control and inspection schemes, incentives and measures for effective long term management of fisheries and marine ecosystems;
- (b) promoting the implementation of measures to combat illegal, unreported and unregulated fishing and related trade in OCTs.

## *Article 57*

### **Sustainable timber trade**

In the context of the association, cooperation in the field of timber trade aims at promoting trade in legally harvested timber. Such cooperation may include dialogue on regulatory measures as well as exchange of information on market-based or voluntary measures such as forest certification or green procurement policies.

## *Article 58*

### **Trade and sustainable development**

1. In the context of the association, cooperation in the field of trade and sustainable development may be pursued by:

- (a) facilitating and promoting trade and investment in environmental goods and services including through the elaboration and implementation of local legislation, as well as in those goods that contribute to the improvement of social conditions in OCTs;
  - (b) facilitating the removal of obstacles to trade or investment regarding goods and services of particular relevance for climate change mitigation, such as sustainable renewable energy and energy efficient products and services, including through the adoption of policy frameworks conducive to the deployment of best available technologies and through the promotion of standards that respond to environmental and economic needs and minimise technical obstacles to trade;
  - (c) promoting trade in goods that contribute to enhanced social conditions and environmentally sound practices, including goods that are the subject of voluntary sustainability assurance schemes such as fair and ethical trade schemes, eco-labels, and certification schemes for natural resource-based products;
  - (d) promoting internationally recognised principles and guidelines in the area of responsible business conduct and corporate social responsibility, encouraging companies operating in the territory of OCTs to implement them and exchanging information and best practices;
  - (e) promoting the United Nations 2030 Agenda for Sustainable Development and the implementation of the related Sustainable Development Goals.
2. In the design and implementation of measures aimed at protecting the environment or labour conditions that may affect trade or investment, the Union and the OCTs shall take account of available scientific and technical information, and relevant international standards, guidelines or recommendations, including the precautionary principle.

3. The Union and the OCTs shall apply full transparency to develop, introduce and implement any measures aimed at protecting the environment and labour conditions affecting trade or investment.

## CHAPTER 2

### OTHER TRADE RELATED ISSUES

#### *Article 59*

##### **Current payments and capital movements**

1. No restrictions shall be imposed on any payments in freely convertible currency on the current account of balance of payments between residents of the Union and of the OCTs.
2. With regard to transactions on the capital account of balance of payments, the Member States and the OCTs authorities shall ensure free movement of capital relating to direct investments in companies formed in accordance with the laws of the host Member State, country or territory and shall ensure that the assets formed by such investment and any profit stemming therefrom can be realised and repatriated.
3. The Union and the OCTs shall be entitled to take the measures referred to in Articles 64, 65, 66, 75, 143, 144 and 215 TFEU in accordance with the conditions laid down therein *mutatis mutandis*.
4. The OCT authorities, the Member State concerned or the Union shall inform one another immediately of any such measures and submit a timetable for their elimination as soon as possible.

## *Article 60*

### **Competition policies**

With due consideration to their different levels of development and economic needs, the OCTs shall adopt, maintain or be subject to a law or policies aiming at:

1. preventing and prohibiting horizontal and vertical agreements between undertakings, decisions by associations of undertakings and concerted practices which have as their object or effect the significant prevention, restriction or distortion of competition;
2. preventing and prohibiting abuses by one or more undertakings of a dominant position;
3. preventing and prohibiting concentrations between undertakings which would significantly impede effective competition, in particular as a result of the creation or strengthening of a dominant position; and
4. transparency about the OCTs' granting of subsidies regarding goods that have a significant negative effect on trade or investment between the EU and an OCT.

## *Article 61*

### **Protection of intellectual property rights**

1. An adequate and effective level of protection of intellectual property rights, including means for enforcing such rights, shall be ensured in line with the highest international standards, where appropriate, with a view to reducing distortions and impediments to bilateral trade.
2. In the context of the association, cooperation in this field may concern the preparation of laws and regulations for the protection and enforcement of intellectual property rights, the prevention of the abuse of such rights by right holders and of the infringement of such rights by competitors and support for regional intellectual property organisations involved in enforcement and protection, including the training of personnel.

## *Article 62*

### **Protection of Geographical Indications**

The Union and the OCTs recognise the importance of Geographical Indications (GIs) for sustainable agriculture and rural development. They shall ensure the proper protection and enforcement of GIs and shall cooperate towards the further development of more effective GI systems. They shall also exchange information on legislative and policy developments on GIs.

## *Article 63*

### **Technical barriers to trade**

The association may include cooperation in the fields of technical regulation for goods, standardisation, conformity assessment, accreditation, market surveillance and quality assurance with a view to removing unnecessary technical barriers to trade between the Union and the OCTs and to reduce differences in those areas.

## *Article 64*

### **Consumer policy, consumer health protection and trade**

In the context of the association, cooperation in the field of consumer policy, consumer health protection and trade may include the preparation of laws and regulations in the area of consumer policy and consumer health protection, with a view to avoiding unnecessary barriers to trade.

**Sanitary and phyto-sanitary measures**

In the context of the association, cooperation in the field of sanitary and phyto-sanitary measures aims at:

- (a) facilitating trade between the Union and the OCTs as a whole and between OCTs [and third countries], whilst safeguarding human, animal and plant health or life in accordance with the WTO Agreement on the Application of Sanitary and Phytosanitary Measures (the ‘WTO SPS Agreement’);
- (b) addressing trade-related issues arising from sanitary and phyto-sanitary measures;
- (c) ensuring transparency as regards sanitary and phyto-sanitary measures applicable to trade between the Union and the OCTs;
- (d) promoting the harmonisation of measures with international standards, in accordance with the WTO SPS Agreement;
- (e) supporting the effective participation of OCTs in organisations that set international sanitary and phyto-sanitary standards;
- (f) promoting consultation and exchanges between OCTs and European institutes and laboratories;
- (g) establishing and enhancing OCTs’ technical capacity to implement and monitor sanitary and phyto-sanitary measures;
- (h) promoting technology transfer and rapid exchange of information in the area of sanitary and phyto-sanitary measures.



*Article 66*

**Prohibition of protectionist measures**

The provisions of Chapters 1 and of this Chapter shall not be used as a means of arbitrary discrimination or a disguised restriction on trade.

**CHAPTER 3**

**MONETARY AND TAX MATTERS**

*Article 67*

**Tax carve out**

1. Without prejudice to the provisions of Article 68, the most favoured nation treatment granted in accordance with this Decision shall not apply to tax advantages which the Member States or OCTs authorities are providing or may provide in the future on the basis of agreements to avoid double taxation or other tax arrangements, or domestic tax legislation in force.
2. Nothing in this Decision may be construed so as to prevent the adoption or enforcement of any measure aimed at preventing tax fraud or avoidance or evasion of taxes pursuant to the tax provisions of agreements to avoid double taxation or other tax arrangements, or domestic tax legislation in force.
3. Nothing in this Decision shall be construed so as to prevent the respective competent authorities from distinguishing, in the application of the relevant provisions of their tax legislation, between taxpayers who are not in the same situation, in particular with regard to their place of residence, or with regard to the place where their capital is invested.

*Article 68*

**Tax and customs arrangements for Union funded contracts**

1. The OCTs shall apply to contracts funded by the Union tax and customs arrangements no less favourable than those applied by them to the Member State to which the OCT is linked or to the states to which the most-favoured nation treatment is granted, or to international development organisations with which they have relations, whichever treatment is the most favourable.
2. Without prejudice to paragraph 1, the following arrangements shall apply to contracts financed by the Union:
  - (a) the contract shall not be subject in the beneficiary OCT to stamp or registration duties or to fiscal charges having equivalent effect, whether such charges already exist or are to be instituted in the future; however, such contracts shall be registered in accordance with the laws in force in the OCTs and a fee corresponding to the service rendered may be charged for it;
  - (b) profits and/or income arising from the performance of contracts shall be taxable according to the internal fiscal arrangements of the beneficiary OCT, provided that the natural persons or legal persons who realise such profit and/or income have a permanent place of business in that OCT, or that the performance of the contract takes longer than six months;
  - (c) enterprises which must import equipment in order to carry out works contracts shall, if they so request, benefit from the system of temporary admission as laid down by the legislation of the beneficiary OCT in respect of that equipment;
  - (d) professional equipment necessary for carrying out tasks defined in a service contract shall be temporarily admitted into the beneficiary OCT free of fiscal, import and customs duties and of other charges having equivalent effect where these duties and charges do not constitute remuneration for services rendered;

- (e) imports under supply contracts shall be admitted into the beneficiary OCT without customs duties, import duties, taxes or fiscal charges having equivalent effect. The contract for supplies originating in the OCT concerned shall be concluded on the basis of the ex-works price of the supplies, to which may be added such internal fiscal charges as may be applicable to those supplies in the OCT;
  - (f) fuels, lubricants and hydrocarbon binders and all materials used in the performance of works contracts shall be deemed to have been purchased on the local market and shall be subject to fiscal rules applicable under the legislation in force in the beneficiary OCT;
  - (g) personal and household effects imported for use by natural persons, other than those recruited locally, engaged in carrying out tasks defined in a service contract and members of their families, shall be exempt from customs or import duties, taxes and other fiscal charges having equivalent effect, within the limits of the legislation in force in the beneficiary OCT.
3. Any contractual matter not covered by paragraphs 1 and 2 shall remain subject to the legislation of the OCT concerned.

## CHAPTER 4

### TRADE CAPACITY DEVELOPMENT

#### *Article 69*

#### **General approach**

With a view to ensuring that OCTs derive the maximum benefit from the provisions of this Decision and that they may participate under the best possible conditions in the Union's internal market as well as regional, sub-regional and international markets, the association aims at contributing to the development of the OCTs' trade capacities by:

- (a) increasing the OCTs' competitiveness, self-reliance and economic resilience, through diversifying the range and increasing the value and volume of OCTs trade in goods and services and by strengthening the OCTs' ability to attract private investments in various sectors of economic activity;
- (b) improving cooperation in trade in goods, services and establishment between the OCTs and neighbouring countries.

#### *Article 70*

### **Trade dialogue, cooperation and capacity development**

In the context of the association, trade dialogue, cooperation and capacity development initiatives may include:

- (a) strengthening the OCTs' capacities to define and implement policies necessary for the development of trade in goods and services;
- (b) encouraging the efforts of OCTs to put into place appropriate legal, regulatory and institutional frameworks as well as the necessary administrative procedures;
- (c) promoting private sector development, in particular SMEs;
- (d) facilitating market and product development, including product quality improvement;
- (e) contributing to the development of human resources and professional skills relevant to trade in goods and services;
- (f) enhancing the capacity of business intermediaries to provide OCTs enterprises services pertinent to their exporting activities, such as market intelligence;
- (g) contributing to the creation of a business climate conducive to investment.

## CHAPTER 5

# COOPERATION IN THE AREA OF FINANCIAL SERVICES AND TAXATION MATTERS

### *Article 71*

#### **Cooperation on international financial services**

With a view to promoting the stability, integrity and transparency of the global financial system, the association may include cooperation on international financial services. Such cooperation may concern:

- (a) the provision of effective and adequate protection of investors and other consumers of financial services;
- (b) the prevention and combat of money laundering and financing of terrorism;
- (c) the promotion of cooperation between different actors of the financial system, including regulators and supervisors;
- (d) the setup of independent and effective mechanisms for supervision of financial services.

**International standards in financial services**

The Union and the OCTs shall make their best endeavours to ensure that internationally agreed standards for regulation and supervision in the financial services sector and for the fight against tax evasion and avoidance are implemented and applied in their territory. Such internationally agreed standards are, inter alia, the Basel Committee's 'Core Principle for Effective Banking Supervision', the International Association of Insurance Supervisors' 'Insurance Core Principles', the International Organisation of Securities Commissions' 'Objectives and Principles of Securities Regulation', the OECD's 'Agreement on exchange of information on tax matters', the G20 'Statement on Transparency and exchange of information for tax purposes', the Financial Stability Board's 'Key Attributes of Effective Resolution Regimes for Financial Institutions'.

The OCTs shall adopt or maintain a legal framework for the prevention of the use of their financial systems for the purpose of money laundering and financing of terrorism, taking particular account of the instruments of international bodies active in this field, such as the Financial Action Task Force's 'International Standards on Combating Money Laundering and the Financing of Terrorism and Proliferation - the FATF Recommendations'.

Where the European Commission issues Decisions authorising a Member State to conclude an agreement with an OCT for transfer of funds between this OCT and the Member State to which it is linked, this transfer shall be treated as a transfer of funds within the Union under the Funds Transfer Regulation (EU) 2015/847 and this OCT shall comply with the terms of that Regulation.

This Article shall be without prejudice to Article 155 of the Financial Regulation.

*Article 73*

**Cooperation in taxation matters**

The Union and the OCTs shall recognise and commit themselves to effectively implement the principles of good governance in the tax area, including the global standards on transparency and exchange of information, fair taxation and the minimum standards against Base Erosion and Profit Shifting. They will promote good governance in tax matters, improve international cooperation in the tax area and facilitate the collection of tax revenues.

**PART IV**

**FINANCIAL COOPERATION**

**CHAPTER 1**

**PRINCIPLES**

*Article 74*

**Financial resources**

The Union shall contribute to the achievement of the association's overall objectives through the provision of:

- (a) adequate financial resources and appropriate technical assistance aimed at strengthening the OCTs' capacities to formulate and implement strategic and regulatory frameworks;
- (b) long term financing to promote private sector growth;

- (c) where appropriate, other Union Programmes may contribute to actions established under this Decision, provided that the contributions do not cover the same costs. This Decision may also contribute to measures established under other Union Programmes, provided that the contributions do not cover the same costs. In such cases, the work programme covering those actions shall establish which set of rules shall be applicable.

## *Article 75*

### **Budget**

1. The financial envelope for the Programme for the period 2021-2027 shall be set at EUR [500 000 000] in [current prices].
2. The indicative distribution of the amount referred to in paragraph 1 shall be detailed in Annex I.
3. The amount referred to in paragraph 1 is without prejudice to the application of provisions providing for flexibility in Regulation [the new Multiannual Financial Framework Regulation], [Regulation (EU) No. [...]] and the Financial Regulation.

## *Article 76*

### **Definitions**

For the purposes of this Part, the following definitions shall apply:

- (a) ‘programmable aid’ means the non-repayable aid allocated to the OCTs in order to finance territorial, regional and intra-regional strategies when applicable, or priorities set out in programming documents;



- (b) 'programming' means the process of organisation, decision-making and allocation of indicative financial resources intended to implement, on a multi-annual basis, in an area referred to in Part II of this Decision, the action to achieve the association's objectives for the sustainable development of the OCTs;
- (c) 'programming document' means the document which sets out the OCT's strategy, priorities and arrangements and translates the objectives and targets of the OCT for its sustainable development in an effective and efficient way to pursue the objectives of the association;
- (d) 'development plans' means a coherent set of operations defined and financed exclusively by the OCTs in the framework of their own policies and strategies of development, and those agreed upon between an OCT and the Member State to which it is linked;
- (e) 'territorial allocation' means the amount allocated to individual OCTs for the programmable aid in order to finance territorial strategies and priorities set out in programming documents;
- (f) 'regional allocation' means the amount allocated in accordance with Article 84(1), for the programmable aid in order to finance regional cooperation strategies or priorities as set out in programming documents;
- (g) 'intra-regional allocation' means an amount - within the regional allocation - allocated in accordance with Article 84(2), for the programmable aid in order to finance intra-regional cooperation strategies and priorities as set out in programming documents.

#### *Article 77*

### **Principles of financial cooperation**

1. Union financial assistance shall be based on the principles of partnership, ownership, alignment on territorial systems, complementarity and subsidiarity.

2. Operations funded within the framework of this Decision can take the form of programmable or non-programmable aid.
3. Union financial assistance shall:
  - (a) be implemented with due regard to the OCTs respective geographical, social and cultural characteristics, as well as their specific potential;
  - (b) ensure that resource flows are accorded on a predictable and regular basis;
  - (c) be flexible and tailored to the situation in each OCT; and
  - (d) be conducted in full compliance with the respective institutional, legal and financial powers of each of the partners.
4. The authorities of the OCT concerned shall be responsible for implementing operations without prejudice to the powers of the Commission to ensure sound financial management in the use of Union funds.

## **CHAPTER 2**

### **SPECIFIC PROVISIONS FOR THE FINANCIAL COOPERATION**

#### *Article 78*

##### **Subject-matter and scope**

Within the framework of the strategy and priorities established by the OCT concerned at local or regional level, financial support may be given to the following:

- (a) sector policies and reforms as well as projects that are in coherence with them;
- (b) institutional development, capacity building and integration of environmental aspects;
- (c) technical assistance.

#### *Article 79*

### **Capacity development**

1. Financial assistance may contribute to, among other things, supporting the OCTs with developing the necessary capacities to define, implement and monitor territorial and/or regional strategies and actions in view of achieving the general objectives for the areas of cooperation mentioned in Parts II and III.
2. The Union shall support the efforts of the OCTs in developing reliable statistical data regarding those areas including to ensure the follow-up on the implementation of the Sustainable Development Goals.
3. The Union may support OCTs in their efforts to improve comparability of their macroeconomic indicators in particular to facilitate the analysis of OCTs' GDPs.

#### *Article 80*

### **Technical assistance**

1. On the initiative of the Commission, Union financing may cover support expenditure for the implementation of the Decision and for the achievement of its objectives, including administrative support associated with the preparation, follow-up, monitoring, control, audit and evaluation activities necessary for such implementation, as well as expenditure at headquarters and Union delegations for the administrative support needed for the programme, and to manage operations financed under this Decision, including information and communication actions, and corporate information and technology systems.

2. On the initiative of the OCTs, studies or technical assistance measures, including long-term support, may be financed in relation to the implementation of the activities scheduled in the programming documents. The Commission may decide to finance such action either from the programmable aid or from the envelope earmarked for technical cooperation measures.

## **CHAPTER 3**

### **IMPLEMENTATION OF THE FINANCIAL COOPERATION**

*[Article 81*

#### **General principle**

Unless otherwise specified in this Decision, Union financial assistance shall be implemented in accordance with the objectives and principles of this Decision, the Financial Regulation, and [NDICI Regulation] in particular, Title II, Chapter I with the exception of Articles 13, 14(1), 14(4), and 15, Chapter III with the exception of Articles 21(1), 21(2) (a) and (b) and 21(3), and Chapter V with the exception of Articles 31(1), 31(4), 31(6), 31(9) and 32(3). The procedure laid down in Article 82 of this Decision shall not apply to the cases referred to in Article 21 (2) (c) of [NDICI Regulation].]

*[Article 82*

**Adoption of multiannual indicative programmes, action plans and measures**

The Commission shall adopt, under this Decision, in the form of ‘single programming documents’, multiannual indicative programmes as referred to in Article 12 of [NDICI Regulation] together with the corresponding action plans and measures referred to in Article 19 of [NDICI Regulation] in accordance with the examination procedure referred to in Article 90(5) of this Decision. That procedure shall also apply to reviews referred to in Article 14 (3) of [NDICI Regulation] which have the effect of significantly modifying the content of the multiannual indicative programme.

Action plans and measures as referred to in Article 19 of [NDICI Regulation] may be adopted separately from the multiannual indicative programmes. The single programming documents may take into account the territorial development plans or other plans agreed upon between the OCTs and the Member States to which they are linked.]

*Article 83*

**Eligibility for territorial financing**

1. The OCTs public authorities shall be eligible for financial support provided for in this Decision.
2. Subject to the agreement of the authorities of the OCTs concerned, the following entities or bodies shall also be eligible for financial support provided for in this Decision:
  - (a) local, national and/or regional public or semi-public agencies, departments or local authorities of the OCTs and in particular their financial institutions and development banks;
  - (b) companies and firms of the OCTs and of regional groups;

- (c) companies and firms of a Member State, so as to enable them, in addition to their own contribution, to undertake productive projects in the territory of an OCT;
- (d) OCTs or Union financial intermediaries promoting and financing private investments in the OCTs; and
- (e) actors of decentralised cooperation and other non-governmental actors from OCTs and from the Union, to enable them to undertake economic, cultural, social and educational projects and programmes in the OCTs in the framework of decentralised cooperation, as referred to in Article 12 of this Decision.

#### *Article 84*

#### **Eligibility for regional financing**

1. A regional allocation may be used for operations benefiting and involving:
  - (a) two or more OCTs regardless of their location; or
  - (b) the OCTs and the Union as a whole; or
  - (c) two or more regional bodies of which OCTs are members; or
  - (d) two or more OCTs regardless of their location and at least one of the following:
    - (i) one or more outermost regions referred to in Article 349 TFEU;
    - (ii) one or more ACP States [and/or one or more non-ACP States] [or territories<sup>20</sup>];
    - (iii) one or more regional bodies or associations of which OCTs are members;

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<sup>20</sup> [The term 'territories' means the 12 UK OCTs which were listed in Annex II to the Treaty on the Functioning of the European Union at the time of the notification received by the European Council on 29 March 2017 of the United Kingdom's withdrawal from the European Union and Euratom based on Article 50 of the Treaty on European Union.]

- (iv) one or more entities, authorities or other bodies from at least one OCT, being members of an EGTC in accordance with Article 8 of this Decision.

For the purposes of points (a) and (d), the French Southern and Antarctic Lands, given their specific situation, shall be considered as two OCTs.

2. Within the regional allocation mentioned in Article 76, an intra-regional allocation may be used for operations benefitting and involving:
  - (a) one or more OCTs and at least one of the following:
    - (i) one or more outermost regions referred to in Article 349 TFEU;
    - (ii) one or more neighbouring ACP [and/or non-ACP States] [or territories];
    - (iii) one or more regional bodies of which OCTs, or ACP States or one or more of the outermost regions are members; or
  - (b) one or more entities, authorities or other bodies from at least one OCT, being members of an EGTC in accordance with Article 8 of this Decision, and one or more outermost regions and/or one or more neighbouring ACP [and/or non-ACP States] [or territories].
3. The funding to enable participation of the ACP States, outermost regions [and other countries] [and territories] to OCT regional cooperation programmes shall be additional to funds allocated to the OCTs under this Decision.
4. The participation of ACP States, outermost regions [and other countries] [or territories] in programmes established pursuant to this Decision shall be envisaged only to the extent that:

- (a) equivalent provisions exist in the framework of relevant Union's programmes or in the relevant funding programmes [of the third countries] [and territories] not covered by Union programmes; and
- (b) the principle of proportionality is respected, taking into account the capacities of stakeholders, in particular their financial capacities under instruments of the Union for cooperation with other countries.

#### *Article 85*

#### **Eligibility for other Union programmes**

1. Natural persons from an OCT, as defined in Article 51, and, where applicable, the relevant public and/or private bodies and institutions in an OCT, shall be eligible for participation in and funding from Union programmes[, such as InvestEU], subject to the rules and objectives of the programmes and possible arrangements applicable to the Member State to which the OCT is linked.
2. OCTs shall also be eligible for support under programmes and instruments of the Union for cooperation with other countries, such as [NDICI Regulation] [and Humanitarian Aid Instrument], subject to the rules, objectives and arrangements of those programmes.
3. Where appropriate, the Commission shall encourage the access of OCTs to Union programmes, as well as programmes and instruments of the Union for cooperation with other countries.
4. The OCTs, with the support of relevant stakeholders, shall report to the Commission on this participation in the Union programmes, at mid-term and at the end of the period 2021 to 2027.



## *Article 86*

### **Reporting**

The Commission shall examine the progress made in implementing the financial assistance provided to the OCTs under this Decision and shall submit a report to the Council every year starting in 2022 on the implementation and results of that financial cooperation. The report shall be sent to the European Parliament, the European Economic and Social Committee and the Committee of the Regions.

## *Article 87*

### **Financial controls**

1. OCTs shall bear primary responsibility for the financial supervision of the Union funds. This shall be carried out, where appropriate, in coordination with the Member State to which the OCT is linked in accordance with the applicable national legislation.
2. The Commission shall be responsible for:
  - (a) ensuring that management and control systems exist and function properly in the OCTs concerned so as to ensure that the Union funds are used correctly and effectively; and
  - (b) in the event of irregularities, sending recommendations or requests for corrective measures to remedy those irregularities and rectify any management shortcomings found.
3. The Commission, the OCTs and, where appropriate, the Member State to which they are linked, shall cooperate on the basis of administrative arrangements at annual or biannual meetings to coordinate programmes, methodologies and the implementation of controls.

4. With regard to financial corrections:
- (a) the OCTs concerned shall be responsible in the first instance for detecting and correcting financial irregularities;
  - (b) however, in the event of shortcomings by the OCT concerned, if the OCT fails to remedy the situation and attempts at conciliation are unsuccessful, the Commission shall take action to reduce or withdraw the balance of the overall allocation corresponding to the financing decision of the Programming Document.

## **PART V**

### **FINAL PROVISIONS**

#### *Article 88*

#### **Delegation of powers to the Commission**

The Commission shall be empowered to adopt delegated acts in accordance with Article 89 in order to amend the procedural rules of origin and related definitions in Annex II and the Appendices of Annex II for the purpose of taking into account technological development and changes in customs and trade legislation.

To ensure effective assessment of progress of this Decision towards the achievement of its objectives, the Commission shall be empowered to adopt delegated acts in accordance with Article 89 in order to amend Article 3 of Annex I to review or complement the indicators where considered necessary and to supplement this Annex with provisions on the establishment of a monitoring and evaluation framework.

## Article 89

### Exercise of the delegation

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.
2. The power to adopt delegated acts referred to in Article 88 shall be conferred on the Commission for a period of five years from 1 January 2021. The Commission shall draw up a report in respect of the delegation of power not later than nine months before the end of the five-year period. The delegation of power shall be tacitly extended for periods of an identical duration, unless the Council opposes such extension not later than three months before the end of each period.
3. The delegation of power referred to in Article 88 may be revoked at any time by the Council. A decision to revoke shall put an end to the delegation of power specified in that Decision. It shall take effect on the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.
4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016.<sup>21</sup>
5. As soon as it adopts a delegated act, the Commission shall notify it to the Council.

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<sup>21</sup> Interinstitutional Agreement between the European Parliament, the Council of the European Union and the European Commission on Better Law-Making of 13 April 2016; OJ L 123, 12.5.2016, p. 1.

6. A delegated act adopted pursuant to Article 88 shall enter into force only if no objection has been expressed by the Council within a period of two months of notification of the act to the Council or if, before the expiry of that period, the Council has informed the Commission that it will not object. That period shall be extended by two months at the initiative of the Council.

### *Article 90*

#### **Committee procedure**

1. The Commission shall be assisted by a committee (the ‘OCT Committee’). That committee shall be a committee within the meaning of Regulation (EU) No 182/2011<sup>22</sup>.
2. For the purpose of Articles 10(6) and 16(8) of Annex II, the Commission shall be assisted by the Customs Code Committee established by Article 285(1) of Regulation (EU) No 952/2013 of the European Parliament and of the Council<sup>23</sup>. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.
3. For the purpose of Article 2 of Annex III and Article 5 and 6 of Annex IV, the Commission shall be assisted by the Committee established by Article 4(1) of Council Regulation (EC) No 260/2009<sup>24</sup>. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.
4. Where reference is made to this paragraph, Article 4 of Regulation (EU) No 182/2011 shall apply.

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<sup>22</sup> Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission’s exercise of implementing powers, OJ L 55, 28.2.2011, p. 13.

<sup>23</sup> Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code, OJ L 269, 10.10.2013, p. 1.

<sup>24</sup> Council Regulation (EC) No 260/2009 of 26 February 2009 on the common rules for imports, [OJ L 84, 31.3.2009, p. 1](#).

5. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.
6. Where reference is made to this paragraph, Article 8 of Regulation (EU) No 182/2011, in conjunction with Article 4 thereof, shall apply.
7. Where the opinion of the committee is to be obtained by a written procedure, the procedure shall be terminated without result when, within the time limit for delivery of the opinion, the chair of the committee so decides or a simple majority of committee members so requests.

#### *Article 91*

### **Information, communication and publicity**

1. The recipients of Union funding under this Decision shall acknowledge the origin and ensure the visibility of the Union funding, in particular when promoting the actions and their results by providing coherent, effective and proportionate targeted information to multiple audiences, including the media and the public.
2. The Commission shall implement information and communication actions relating to the Programme, and its actions and results. Financial resources allocated to the Programme shall also contribute to the corporate communication of the political priorities of the Union, as far as they are related to the objectives referred to in Article 3.

#### *Article 92*

### **European External Action Service clause**

This Decision shall apply in accordance with Council Decision 2010/427/EU<sup>25</sup>.

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<sup>25</sup> Council Decision 2010/427/EU of 26 July 2010 establishing the organisation and functioning of the European External Action Service, OJ L 201, 3.8.2010, p. 30.

*Article 93*

**Repeal and transitional provisions**

1. Council Decision 2013/755/EU is hereby repealed with effect from 1 January 2021.
2. This Decision shall not affect the continuation or modification of the actions concerned, until their closure, under Council Decision 2013/755/EU which shall continue to apply to the actions concerned until their closure.
3. The financial envelope for the Programme may also cover technical and administrative assistance expenses necessary to ensure the transition between the Programme and the measures adopted under its predecessor, the Council Decision 2013/755/EU.
4. If necessary, appropriations may be entered in the budget beyond 2027 to cover the expenses provided for in Article 80 to enable the management of actions not completed by 31 December 2027.

*Article 94*

**Entry into force**

This Decision shall enter into force on the twentieth day following its publication in the *Official Journal of the European Union*.

It shall apply from 1 January 2021 until 31 December 2027.

Done at Brussels,

*For the Council*

*The President*

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## ANNEX I

### UNION FINANCIAL ASSISTANCE

#### *Article 1*

#### *Allocation between the OCTs*

1. For the purposes of this Decision, for the seven-year period from 1 January 2021 to 31 December 2027, the overall amount of the Union financial assistance of EUR [500 000 000] in [current prices] shall be allocated as follows:
  - (a) EUR [159 000 000] in the form of grants for bilateral programmable support for long-term development of OCTs other than Greenland, in particular to finance the initiatives referred to in the programming document. Where appropriate, the programming document shall pay particular attention to actions aimed at strengthening governance and the institutional capacities of the beneficiary OCTs and, where relevant, the likely timetable of the envisaged actions. This amount shall be allocated on the basis of the specificities, needs, development level and performance of the OCTs in accordance with a limited set of specific and transparent criteria, taking into account the population, Gross Domestic Product (GDP), poverty and inequality, the level of previous allocations, OCTs' absorption capacities, and constraints due to the geographical isolation of OCTs as mentioned in Article 9 of this Decision.
  - (b) EUR [225 000 000] in the form of grant for the bilateral programmable support for long term development of Greenland in particular to finance the initiative referred to in the programming document.



- (c) EUR [81 000 000] shall be allocated to support OCT regional programmes of which EUR [15 000 000] could support intra-regional operations, Greenland being eligible only for the intra-regional operations. This cooperation will be implemented in coordination with Article 7 of this Decision, in particular regarding the areas of mutual interests referred to in Article 5 of this Decision and through consultation via the instances of the EU-OCTs partnership referred to in Article 14 of this Decision. It shall seek coordination with other relevant Union financial programmes and instruments and in particular the outermost regions referred to in Article 349 TFEU.
- (d) EUR [22 000 000] for studies or technical assistance measures for all the OCTs including Greenland, in accordance with Article 80 of this Decision.<sup>1</sup>
- (e) EUR [13 000 000] to a non-allocated fund for all the OCTs including Greenland to *inter alia*:
- (i) ensure an appropriate response of the Union in the event of unforeseen circumstances;
  - (ii) address new needs or emerging challenges, such as migratory pressure at the EU's or its neighbours' borders;
  - (iii) promote new international initiatives or priorities.
2. The Commission, following a mid-term review of the implementation of the Decision, may decide on the allocation of any non-allocated funds mentioned in this Article.
3. The funds shall not be committed after 31 December 2027, unless the Council unanimously decides otherwise, on a proposal from the Commission.

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<sup>1</sup> Out of this amount, [9 725 000 EUR] are reserved for the Commission to cover technical and/or administrative assistance and expenditure in support of the implementation of the EU programmes and/or actions, indirect research, direct research.

*Article 2*  
*Administration of resources*

All financial resources under this Decision shall be administered by the Commission.

*Article 3*  
*Indicators*

The achievement of the objectives set out in Article 3.5 of the Decision shall be measured by:

1. For OCTs, except Greenland, exports of goods and services as % of GDP and total Government revenue as % of GDP.
2. For Greenland, exports of goods and services as % of GDP and percentage of the fisheries sector in total exports.

## ANNEX II

### **Concerning the definition of the concept of "originating products" and methods of administrative cooperation**

#### **TITLE I**

#### **GENERAL PROVISIONS**

##### *Article 1*

##### *Definitions*

For the purpose of this Annex the following definitions shall apply:

- (a) 'EPA countries' means regions or states **which are part of the African, Caribbean and Pacific (ACP) Group of States and which have concluded agreements establishing, or leading to the establishment of, Economic Partnership Agreements (EPA)**, when such an EPA is either provisionally applied, or enters into force, whichever is the earlier;
- (b) 'manufacture' means any kind of working or processing including assembly;
- (c) 'material' means any ingredient, raw material, component or part, etc., used in the manufacture of the product;
- (d) 'product' means the product being manufactured, even if it is intended for later use in another manufacturing operation;
- (e) 'goods' means both materials and products;

- (f) 'fungible materials' means materials that are of the same kind and commercial quality, with the same technical and physical characteristics, and which cannot be distinguished from one another once they are incorporated into the finished product;
- (g) 'customs value' means the value as determined in accordance with the 1994 Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade (WTO Agreement on Customs Valuation);
- (h) 'value of materials' in the list in Appendix I means the customs value at the time of importation of the non-originating materials used, or, if this is not known and cannot be ascertained, the first ascertainable price paid for the materials in the OCT. Where the value of the originating materials used needs to be established, this point shall be applied *mutatis mutandis*;
- (i) 'ex-works price' means the price paid for the product ex-works to the manufacturer in whose undertaking the last working or processing is carried out, provided that the price includes the value of all the materials used and all other costs related to its production, minus any internal taxes which are, or may be, repaid when the product obtained is exported.

Where the actual price paid does not reflect all costs related to the manufacturing of the product which are actually incurred in the OCT, the ex-works price means the sum of all those costs, minus any internal taxes which are, or may be, repaid when the product obtained is exported.

For the purpose of this definition, where the last working or processing has been subcontracted to a manufacturer, the term 'manufacturer' referred to in the first subparagraph of this paragraph may refer to the enterprise that has employed the subcontractor;

- (j) 'maximum content of non-originating materials' means the maximum content of non-originating materials which is permitted in order to consider a manufacture as working or processing sufficient to confer originating status on the product. It may be expressed as a percentage of the ex-works price of the product or as a percentage of the net weight of these materials used falling under a specified group of chapters, chapter, heading or sub-heading;
- (k) 'net weight' means the weight of the goods themselves without packing materials and packing containers of any kind;
- (l) 'chapters', 'headings' and 'sub-headings' mean the chapters, the headings and sub-headings (four- or six-digit codes) used in the nomenclature which makes up the Harmonised System with the changes pursuant to the Recommendation of 26 June 2004 of the Customs Cooperation Council;
- (m) 'classified' refers to the classification of a product or material under a particular heading or sub-heading of the Harmonised System;
- (n) 'consignment' means products which are either:
- sent simultaneously from one exporter to one consignee; or
  - covered by a single transport document covering their shipment from the exporter to the consignee or, in the absence of such document, by a single invoice;
- (o) 'exporter' means a person exporting the goods to the Union or to an OCT who is able to prove the origin of the goods, whether or not the person is the manufacturer and whether or not they themselves carry out the export formalities;

- (p) 'registered exporter' means an exporter who is registered with the competent authorities of the OCT concerned for the purpose of making out statements on origin for the purpose of exporting under this Decision;
- (q) 'statement on origin' means a statement made out by the exporter indicating that the products covered by it comply with the rules of origin of this Annex, for the purpose of allowing either the person declaring the goods for release for free circulation in the Union to claim the benefit of preferential tariff treatment or the economic operator in a OCT importing materials for further processing in the context of cumulation rules to prove the originating status of such goods;
- (r) 'GSP country' means a country or territory as defined in Article 2(d) of Regulation (EU) No 978/2012<sup>1</sup>;
- (s) 'REX system' means the system for registering exporters authorised to certify the origin of goods, referred to in Article 80(1) of Regulation (EU) 2015/2447<sup>2</sup>.

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<sup>1</sup> Regulation (EU) No 978/2012 of the European Parliament and of the Council of 25 October 2012 applying a scheme of generalised tariff preferences and repealing Council Regulation (EC) No 732/2008 (OJ L 303, 31.10.2012, p. 1).

<sup>2</sup> Commission Implementing Regulation (EU) 2015/2447 of 24 November 2015 laying down detailed rules for implementing certain provisions of Regulation (EU) No 952/2013 of the European Parliament and of the Council laying down the Union Customs Code (OJ L 343, 29.12.2015, p. 558).

## TITLE II

### DEFINITION OF THE CONCEPT OF ORIGINATING PRODUCTS

#### *Article 2*

##### *General Requirements*

1. The following products shall be considered as originating in an OCT:
  - (a) products wholly obtained in an OCT within the meaning of Article 3;
  - (b) products obtained in an OCT incorporating materials which have not been wholly obtained there, provided that such materials have undergone sufficient working or processing within the meaning of Article 4.
2. Originating products made up of materials wholly obtained or sufficiently worked or processed in two or more OCTs shall be considered as products originating in the OCT where the last working or processing took place.

#### *Article 3*

##### *Wholly obtained products*

1. The following shall be considered as wholly obtained in an OCT:
  - (a) mineral products extracted from its soil or from its seabed;
  - (b) plants and vegetable products grown or harvested there;
  - (c) live animals born and raised there;
  - (d) products from live animals raised there;

- (e) products from slaughtered animals born and raised there;
- (f) products obtained by hunting or fishing conducted there;
- (g) products of aquaculture where the fish, crustaceans and molluscs are born and raised there;
- (h) products of sea fishing and other products taken from the sea outside any territorial sea by its vessels;
- (i) products made on board its factory ships exclusively from the products referred to in point (h);
- (j) used articles collected there fit only for the recovery of raw materials;
- (k) waste and scrap resulting from manufacturing operations conducted there;
- (l) products extracted from the seabed or below the seabed which is situated outside any territorial sea but where it has exclusive exploitation rights;
- (m) goods produced there exclusively from products specified in points (a) to (l).

2. The terms 'its vessels' and 'its factory ships' in paragraph 1(h) and (i) shall apply only to vessels and factory ships which meet each of the following requirements:

- (a) they are registered in an OCT or in a Member State,
- (b) they sail under the flag of an OCT or of a Member State,



(c) they meet one of the following conditions:

- they are at least 50% owned by nationals of the OCTs or of Member States; or
- they are owned by companies;

(i) which have their head office and their main place of business in the OCTs or in Member States; and

(ii) which are at least 50% owned by OCTs, public entities of that country, nationals of that country or of Member States.

3. The conditions of paragraph 2 may each be fulfilled in Member States or in different OCTs. In this case, the products shall be deemed to have the origin of the OCT where the vessel or factory ship is registered in accordance with point (a) of paragraph 2.

#### *Article 4*

##### *Sufficiently worked or processed products*

1. Without prejudice to Articles 5 and 6, products which are not wholly obtained in an OCT within the meaning of Article 3 shall be considered to originate there, provided that the conditions laid down in the list in Appendix I for the goods concerned are fulfilled.
2. If a product which has acquired originating status in an OCT in accordance with paragraph 1 is further processed in that OCT and used as a material in the manufacture of another product, no account shall be taken of the non-originating materials which may have been used in its manufacture.

3. The determination of whether the requirements of paragraph 1 are met, shall be carried out for each product.

However, where the relevant rule is based on compliance with a maximum content of non-originating materials, in order to take into account fluctuations in costs and currency rates, the value of the non-originating materials may be calculated on an average basis as set out in paragraph 4.

4. In the case referred to in the second sub-paragraph of paragraph 3, an average ex-works price of the product and average value of non-originating materials used shall be calculated respectively on the basis of the sum of the ex-works prices charged for all sales of the products carried out during the preceding fiscal year and the sum of the value of all the non-originating materials used in the manufacture of the products over the preceding fiscal year as defined in the country of export, or, where figures for a complete fiscal year are not available, a shorter period which should not be less than three months.
5. Exporters having opted for calculations on an average basis shall consistently apply such a method during the year following the fiscal year of reference, or, where appropriate, during the year following the shorter period used as a reference. They may cease to apply such a method where during a given fiscal year, or a shorter representative period of no less than three months, they record that the fluctuations in costs or currency rates which justified the use of such a method have ceased.
6. The averages referred to in paragraph 4 shall be used as the ex-works price and the value of non-originating materials respectively, for the purpose of establishing compliance with the maximum content of non-originating materials.

## *Article 5*

### *Insufficient working or processing operations*

1. Without prejudice to paragraph 3, the following operations shall be considered as insufficient working or processing to confer the status of originating products, whether or not the requirements of Article 4 are satisfied:
  - (a) preserving operations to ensure that the products remain in good condition during transport and storage;
  - (b) breaking-up and assembly of packages;
  - (c) washing, cleaning; removal of dust, oxide, oil, paint or other coverings;
  - (d) ironing or pressing of textiles and textile articles;
  - (e) simple painting and polishing operations;
  - (f) husking and partial or total milling of rice; polishing and glazing of cereals and rice;
  - (g) operations to colour or flavour sugar or form sugar lumps; partial or total milling of crystal sugar;
  - (h) peeling, stoning and shelling, of fruits, nuts and vegetables;
  - (i) sharpening, simple grinding or simple cutting;
  - (j) sifting, screening, sorting, classifying, grading, matching (including the making-up of sets of articles);
  - (k) simple placing in bottles, cans, flasks, bags, cases, boxes, fixing on cards or boards and all other simple packaging operations;

- (l) affixing or printing marks, labels, logos and other like distinguishing signs on products or their packaging;
  - (m) simple mixing of products, whether or not of different kinds; mixing of sugar with any material;
  - (n) simple addition of water or dilution or dehydration or denaturation of products;
  - (o) simple assembly of parts of articles to constitute a complete article or disassembly of products into parts;
  - (p) a combination of two or more of the operations specified in points (a) to (o);
  - (q) slaughter of animals.
2. For the purposes of paragraph 1, operations shall be considered simple when neither special skills nor machines, apparatus or tools especially produced or installed for those operations are required for their performance.
3. All the operations carried out in an OCT on a given product shall be taken into account when determining whether the working or processing undergone by that product is to be regarded as insufficient within the meaning of paragraph 1.

### *Article 6*

#### *Tolerances*

1. By way of derogation from Article 4 and subject to paragraphs 2 and 3 of this Article, non-originating materials which, according to the conditions set out in the list in Appendix I are not to be used in the manufacture of a given product may nevertheless be used, provided that their total value or net weight assessed for the product does not exceed:

- (a) 15% of the weight of the product for products falling within Chapters 2 and 4 to 24, other than processed fishery products of chapter 16;
  - (b) 15% of the ex-works price of the product for other products, except for products falling within Chapters 50 to 63 of the Harmonised System, for which the tolerances mentioned in Notes 6 and 7 of Appendix I shall apply.
- 2. Paragraph 1 shall not allow that any of the percentages for the maximum content of non-originating materials as specified in the rules laid down in the list in Appendix I are exceeded.
  - 3. Paragraphs 1 and 2 shall not apply to products wholly obtained in an OCT within the meaning of Article 3. However, without prejudice to Article 5 and 11(2), the tolerance provided for in those paragraphs shall nevertheless apply to the sum of all the materials which are used in the manufacture of a product and for which the rule laid down in the list in Appendix I for that product requires that such materials be wholly obtained.

#### *Article 7*

##### *Bilateral cumulation*

- 1. Without prejudice to Article 2, materials originating in the Union shall be considered as materials originating in an OCT when incorporated into a product obtained there, provided that they have undergone working or processing which goes beyond the operations referred to in Article 5(1).
- 2. Without prejudice to Article 2, working or processing carried out in the Union shall be considered as having been carried out in an OCT, when the materials undergo subsequent working or processing there.
- 3. For the purpose of cumulation provided for in this Article, the origin of the materials shall be established in accordance with this Annex.

*Article 8*  
*Cumulation with EPA countries*

1. Without prejudice to Article 2, materials originating in the EPA countries shall be considered as materials originating in an OCT when incorporated into a product obtained there, provided that they have undergone working or processing which goes beyond the operations referred to in Article 5 (1).
2. Without prejudice to Article 2, working or processing carried out in the EPA countries shall be considered as having been carried out in an OCT, when the materials undergo subsequent working or processing there.
3. For the purpose of paragraph 1 of this Article, the origin of the materials originating in an EPA country shall be determined in accordance with the rules of origin applicable to the EPA concerned and relevant provisions on proofs of origin and administrative cooperation.

The cumulation provided for in this Article shall not apply to materials originating in the Republic of South Africa which cannot be imported directly in the Union duty-free-quota-free in the framework of the EPA between the Union and the Southern African Development Community (SADC).

4. The cumulation provided for in this Article may only be applied provided that:
  - (a) The EPA country supplying the materials and the OCT manufacturing the final product have undertaken to:
    - comply or ensure compliance with this Annex and,
    - provide the administrative cooperation necessary to ensure the correct implementation of this Annex both with regard to the Union and between themselves;

(b) The undertakings referred to in point (a) have been notified to the Commission by the OCT involved.

5. Where countries have already complied with paragraph 4 before the entry into force of this Decision, a new undertaking shall not be required.

#### *Article 9*

#### *Cumulation with other countries benefiting from duty-free quota-free access to the market of the Union under GSP*

1. Without prejudice to Article 2, materials originating in countries and territories set out in paragraph 2 of this Article shall be considered as materials originating in an OCT when incorporated into a product obtained there, provided they have undergone working or processing which goes beyond the operations referred to in Article 5(1).
2. For the purposes of paragraph 1, materials shall originate from a country or territory:
  - (a) benefiting from the special arrangement for the least-developed countries of the Generalised System of Preferences, referred to in Article 1(2)(c) of Regulation (EU) No 978/2012; or
  - (b) benefiting from duty-free quota-free access to the market of the Union at HS 6-digit level under the general arrangement of the Generalised System of Preferences, referred to in Article 1(2)(a) of Regulation (EU) No 978/2012.
3. The origin of the materials of the countries or territories concerned shall be determined according to the rules of origin laid down, pursuant to Article 33 of Regulation (EU) No 978/2012, in Regulation (EU) 2015/2446<sup>3</sup>.

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<sup>3</sup> Commission Delegated Regulation (EU) 2015/2446 of 28 July 2015 supplementing Regulation (EU) No 952/2013 of the European Parliament and of the Council as regards detailed rules concerning certain provisions of the Union Customs Code (OJ L 343, 29.12.2015, p. 1).

4. The cumulation provided for in this paragraph shall not apply to the following:
- (a) materials which at importation to the Union are subject to antidumping or countervailing duties when originating from the country which is subject to these antidumping or countervailing duties;
  - (b) tuna products classified under Harmonised System Chapters 3 and 16, which are covered by Article 7 of Regulation (EU) No 978/2012, and subsequent amending and corresponding legal acts;
  - (c) materials which are covered by Articles 8 and 22 to 30 of Regulation (EU) No 978/2012, and subsequent amending and corresponding legal acts.

The competent authorities of the OCTs shall notify yearly to the Commission the materials, if any, to which cumulation under paragraph 1 has been applied.

5. The cumulation provided for in paragraph 1 of this Article may only be applied provided that:
- (a) the countries or territories involved in the cumulation have undertaken to comply or ensure compliance with this Annex and to provide the administrative co-operation necessary to ensure the correct implementation of this Annex, both with regard to the Union and between themselves;
  - (b) the undertaking referred to in point (a) has been notified to the Commission by the OCT concerned.
6. The Commission shall publish in the Official Journal of the European Union (C series) the date on which the cumulation provided for in this Article may be applied with those countries or territories listed in this Article which have fulfilled the necessary requirements.



*Article 10*  
*Extended cumulation*

1. The Commission may grant, at the request of an OCT, cumulation of origin between an OCT and a country with which the Union has a free trade agreement in accordance with Article XXIV of the General Agreement on Tariffs and Trade (GATT) in force, provided that the following conditions are met:
  - (a) the countries or territories involved in the cumulation have undertaken to comply or ensure compliance with this Annex and to provide the administrative co-operation necessary to ensure the correct implementation of this Annex, both with regard to the Union and between themselves; by that undertaking, those countries or territories shall agree to provide the OCTs with their support in matters of administrative cooperation in the same way as they would provide such support to the customs authorities of the Member States in accordance with the relevant provisions of the free-trade agreement concerned;
  - (b) the undertaking referred to in point (a) has been notified to the Commission by the OCT concerned.
  - (c) The Commission, taking into account the risk of trade circumvention and specific sensitivities of materials to be used in cumulation, may establish additional conditions for granting the cumulation requested.
2. The request referred to in the first subparagraph shall be addressed to the Commission in writing. It shall indicate the third country or countries concerned, shall contain a list of the materials subject to cumulation and shall be supported by evidence that the conditions laid down in paragraphs 1(a) and (b) of this Article are met.

3. The origin of the materials used and the documentary proof of origin shall be determined in accordance with the rules laid down in the relevant free trade agreement. The origin of the products to be exported to the Union shall be determined in accordance with the rules of origin laid down in this Annex.
4. In order for the obtained product to acquire originating status, it shall not be necessary that the materials originating in the third country and used in the OCT in the manufacture of the product to be exported to the Union have undergone sufficient working or processing, provided that the working or processing carried out in the OCT concerned goes beyond the operations described in Article 5(1).
5. The Commission shall publish in the Official Journal of the European Union (C series) the date on which the extended cumulation takes effect, the Union's Free Trade Agreement partner involved in that cumulation, the applicable conditions and the list of materials in relation to which the cumulation applies.
6. The Commission shall adopt a measure granting the cumulation referred to in paragraph 1 by means of implementing acts. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 90 (5) of this Decision.

### *Article 11*

#### *Unit of qualification*

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

2. When a consignment consists of a number of identical products classified under the same heading of the Harmonised System, each individual item shall be taken into account when applying the provisions of this Annex.
3. Where, under general rule 5 of the Harmonised System, packaging is included with the product for classification purposes, it shall be included for the purposes of determining origin.

#### *Article 12*

##### *Accessories, Spare parts and tools*

Accessories, spare parts and tools dispatched with a piece of equipment, machine, apparatus or vehicle which are part of the normal equipment and included in the ex-works price thereof, shall be regarded as one with the piece of equipment, machine, apparatus or vehicle in question.

#### *Article 13*

##### *Sets*

Sets, as defined in General Interpretative Rule 3 of the Harmonised System, shall be regarded as originating when all the component products are originating products.

When a set is composed of originating and non-originating products, the set as a whole shall however be regarded as originating, provided that the value of the non-originating products does not exceed 15% of the ex-works price of the set.

#### *Article 14*

##### *Neutral elements*

In order to determine whether a product is an originating product, no account shall be taken of the origin of the following which might be used in its manufacture:

- (a) energy and fuel;

- (b) plant and equipment;
- (c) machines and tools;
- (d) any other goods which do not enter, and which are not intended to enter, into the final composition of the product.

### *Article 15*

#### *Accounting segregation*

1. If originating and non-originating fungible materials are used in the working or processing of a product, the customs authorities of the Member States may, at the written request of economic operators, authorise the management of materials in the Union using the accounting segregation method for the purpose of subsequent export to an OCT within the framework of bilateral cumulation, without keeping the materials on separate stocks.
2. The customs authorities of the Member States may make the granting of authorisation referred to in paragraph 1 subject to any conditions they deem appropriate.

The authorisation shall be granted only if by use of the method referred to in paragraph 3 it can be ensured that, at any time, the number of products obtained which could be considered as ‘originating in the Union’ is the same as the number that would have been obtained by using a method of physical segregation of the stocks.

If authorised, the method shall be applied and the application thereof shall be recorded on the basis of the general accounting principles applicable in the Union.

3. The beneficiary of the method referred to in paragraph 2 shall make out or, until the application of the registered exporter system, apply for proofs of origin for the quantity of products which may be considered as originating in the Union. At the request of the customs authorities of the Member States, the beneficiary shall provide a statement of how the quantities have been managed.

4. The customs authorities of the Member States shall monitor the use made of the authorisation referred to in paragraph 1.

They may withdraw the authorisation in the following cases:

- (a) the beneficiary makes improper use of the authorisation in any manner whatsoever,  
or
- (b) the beneficiary fails to fulfil any of the other conditions laid down in this Annex.

### *Article 16*

#### *Derogations*

1. Upon the Commission's initiative or in response to a request from a Member State or an OCT, an OCT may be granted a temporary derogation from the provisions of this Annex in any of the following cases:
  - (a) internal or external factors temporarily deprive it of the ability to comply with the rules for the acquisition of origin provided for in Article 2 where it could do so previously;
  - (b) it requires time to prepare itself to comply with the rules for the acquisition of origin provided for in Article 2;
  - (c) the development of existing industries or the creation of new industries justifies it.
2. The request referred to in paragraph 1 shall be addressed to the Commission in writing, by means of the form set out in Appendix II. It shall state the reasons for the request and shall contain appropriate supporting documents.

3. The examination of requests shall in particular take into account:
  - (a) the level of development or the geographical situation of the OCT concerned, having particular regard to the economic and social impact of the decision to be taken especially in respect of employment;
  - (b) cases where the application of the existing rules of origin would significantly affect the ability of an existing industry in the OCT concerned to continue its exports to the Union, with particular reference to cases where this could lead to cessation of its activities;
  - (c) specific cases where it can be clearly demonstrated that significant investment in an industry could be deterred by the rules of origin and where a derogation favouring the realisation of the investment programme would enable these rules to be satisfied by stages.
4. The Commission shall respond positively to all the requests which are duly justified in conformity with this Article and which cannot cause serious injury to an established Union industry.
5. The Commission shall take steps necessary to ensure that a decision is reached as quickly as possible and shall endeavour to adopt its position within 75 working days after the request is received by the Commission.
6. The temporary derogation shall be limited to the duration of the effects of the internal or external factors giving rise to it or to the length of time needed for the OCT to achieve compliance with the rules or to fulfil the targets which have been set by the derogation, taking into account the particular situation of the OCT concerned and its difficulties.

7. When a derogation is granted, it is subject to compliance with any requirements laid down as to information to be provided to the Commission concerning the use of the derogation and the management of the quantities for which the derogation was granted.
8. The Commission shall adopt a measure granting a temporary derogation referred to in paragraph 1 by means of implementing acts. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 90 (5) of this Decision.

### **TITLE III**

#### **TERRITORIAL REQUIREMENTS**

##### *Article 17*

##### *Principle of territoriality*

1. Except as provided for in Articles 7 to 10, the conditions set out in this Annex for acquiring originating status shall be fulfilled without interruption in the OCT.
2. If originating products exported from the OCT to another country are returned, they shall be considered as non-originating unless it can be demonstrated to the satisfaction of the competent authorities that:
  - (a) the products returned are the same as those which were exported; and
  - (b) they have not undergone any operations beyond that necessary to preserve them in good condition while in that country or while being exported.

*Article 18*  
*Non-manipulation clause*

1. The products declared for release for free circulation in the Union shall be the same products as exported from the OCT in which they are considered to originate. They shall not have been altered, transformed in any way or subjected to operations other than operations to preserve them in good condition, prior to being declared for release for free circulation. Storage of products or consignments and splitting of consignments may take place where carried out under the responsibility of the exporter or of a subsequent holder of the goods and the products remain under customs supervision in the country or countries of transit.
2. Compliance with paragraph 1 shall be considered as satisfied unless the customs authorities have reason to believe the contrary; in such cases, the customs authorities may request the declarant to provide evidence of compliance, which may be given by any means, including contractual transport documents such as bills of lading or factual or concrete evidence based on marking or numbering of packages or any evidence related to the goods themselves.
3. Paragraphs 1 and 2 shall apply *mutatis mutandis* when cumulation under Articles 7 to 10 applies.

*Article 19*  
*Exhibitions*

1. Originating products, sent from an OCT for exhibition in a country other than an OCT, an EPA country or a Member State and sold after the exhibition for importation in the Union shall benefit on importation from the provisions of the Decision, provided it is shown to the satisfaction of the customs authorities that:



- (a) an exporter has consigned these products from an OCT to the country in which the exhibition is held and has exhibited them there;
  - (b) the products have been sold or otherwise disposed of by that exporter to a person in the Union;
  - (c) the products have been consigned during the exhibition or immediately thereafter in the state in which they were sent for exhibition;
  - (d) the products have not, since they were consigned for exhibition, been used for any purpose other than demonstration at the exhibition.
2. A proof of origin must be issued or made out in accordance with the provisions of Title IV and submitted to the customs authorities of the importing country in the normal manner. The name and address of the exhibition must be indicated thereon. Where necessary, additional documentary evidence of the conditions under which they have been exhibited may be required.
3. Paragraph 1 shall apply to any trade, industrial, agricultural or crafts exhibition, fair or similar public show or display which is not organised for private purposes in shops or business premises with a view to the sale of foreign products, and during which the products remain under customs control.

## TITLE IV

### PROOFS OF ORIGIN

#### SECTION 1

#### GENERAL REQUIREMENTS

##### *Article 20*

##### *Amounts expressed in euro*

1. For the application of the provisions of Articles 29 and 30 in cases where products are invoiced in a currency other than euro, amounts in the national currencies of the Member States of the Union equivalent to the amounts expressed in euro shall be fixed annually by each of the countries concerned.
2. A consignment shall benefit from the provisions of Articles 29 and 30 by reference to the currency in which the invoice is drawn up.
3. The amounts to be used in any given national currency shall be the equivalent in that currency of the amounts expressed in euro as at the first working day of October. The amounts shall be communicated to the Commission by 15 October and shall apply from 1 January the following year. The Commission shall notify all countries concerned of the relevant amounts.

4. A Member State of the Union may round up or down the amount resulting from the conversion into its national currency of an amount expressed in euro. The rounded-off amount may not differ from the amount resulting from the conversion by more than 5 per cent. A Member State of the Union may retain unchanged its national currency equivalent of an amount expressed in euro if, at the time of the annual adjustment provided for in paragraph 3, the conversion of that amount, prior to any rounding-off, results in an increase of less than 15 per cent in the national currency equivalent. The national currency equivalent may be retained unchanged if the conversion would result in a decrease in that equivalent value.
5. The amounts expressed in euro and their equivalents in national currencies of some Member States shall be reviewed by the Commission on its own initiative or at the request of a Member State or an OCT. When carrying out this review, the Commission shall consider the desirability of preserving the effects of the limits concerned in real terms. For this purpose, it may decide to modify the amounts expressed in euro.

## SECTION 2

### PROCEDURES AT EXPORT IN THE OCT

#### *Article 21*

#### *General requirements*

Benefits from this Decision shall apply in the following cases:

- (a) in cases of goods satisfying the requirements of this Annex exported by a registered exporter within the meaning of Article 22;
- (b) in cases of any consignment of one or more packages containing originating products exported by any exporter, where the total value of the originating products consigned does not exceed EUR 10, 000.

*Article 22*  
*Request for registration*

1. To be registered, exporters shall lodge an application with the competent authorities of the OCTs referred to in Article 39(1), using the form a model of which is set out in Appendix V.
2. The application shall be accepted by the competent authorities only if it is complete.
3. The registration shall be valid as of the date on which the competent authorities of the OCTs receive a complete application for registration, in accordance with paragraphs 1 and 2.
4. An exporter established in an OCT, already registered in the REX system for the purposes of the GSP scheme of Norway or Switzerland, need not lodge an application with his competent authorities to be registered for the purposes of this Decision.

*Article 23*  
*Registration*

1. The competent authorities of the OCTs shall upon receipt of the complete application form referred to in Appendix III assign without delay the number of registered exporter to the exporter and enter into the REX system the number of registered exporter, the registration data and the date from which the registration is valid in accordance with Article 22(3).

The competent authorities of the OCTs shall inform the exporter of the number of registered exporter assigned to that exporter and of the date from which the registration is valid.

The competent authorities of the OCTs shall keep the data registered by them up-to-date. They shall modify those data immediately after having been informed by the registered exporter in accordance with Article 24(1).

2. The registration shall contain the following information:
- (a) name of the registered exporter, as specified in box 1 of the form set out in Appendix III;
  - (b) address of the place where the registered exporter is established, as specified in box 1 of the form set out in Appendix III, including the identifier of the country or territory (ISO alpha 2 country code);
  - (c) contact details as specified in box 2 and box 2 of the form set out in Appendix III;
  - (d) indicative description of the goods which qualify for preferential treatment, including indicative list of Harmonised System headings or chapters, as specified in box 4 of the form set out in Appendix III;
  - (e) trader identification number (TIN) of the registered exporter as specified in box 1 of the form set out in Appendix III;
  - (f) whether the exporter is a trader or a producer as specified in box 3 of the form set out in Appendix III;
  - (g) the date of registration of the registered exporter;
  - (h) the date from which the registration is valid;
  - (i) the date of the revocation of the registration where applicable.

*Article 24*  
*Revocation of the registration*

1. Registered exporters who no longer meet the conditions for exporting any goods benefiting from this Decision, or no longer intend to export such goods, shall inform the competent authorities in the OCTs who shall immediately remove them from the record of registered exporters kept in that OCT.
2. Without prejudice to the system of penalties and sanctions applicable in the OCTs, where registered exporters intentionally or negligently draw up, or cause to be drawn up, a statement on origin or any supporting document which contains incorrect information which leads to irregularly or fraudulently obtaining the benefit of preferential tariff treatment, the OCT competent authorities shall revoke the exporter from the record of registered exporters kept by the OCT concerned.
3. Without prejudice to the possible impact of irregularities found on pending verifications, revocation from the record of registered exporters shall take effect for the future, i.e. in respect of statements made out after the date of revocation.
4. Exporters who have been revoked from the record of registered exporters by the competent authorities in accordance with paragraph 2 may only be re-introduced into the record of registered exporters once they have proved to the competent authorities in the OCT that they have remedied the situation which led to their revocation.
5. If an exporter has been revoked from the record of registered exporters by the competent authorities in accordance with the GSP legislation of Norway or Switzerland, the revocation shall also apply for the purposes of this Decision.

*Article 25*  
*Supporting documents*

1. Exporters, registered or not, shall comply with the following obligations:
  - (a) they shall maintain appropriate commercial accounting records for production and supply of goods qualifying for preferential treatment;
  - (b) they shall keep available all evidence relating to the material used in the manufacture;
  - (c) they shall keep all customs documentation relating to the material used in the manufacture;
  - (d) they shall keep for at least three years from the end of the year in which the statement on origin was made out, or more if required by national law, records of:
    - the statements on origin they made out; and
    - their originating and non-originating materials, production and stock accounts.
2. The records referred to in point (d) of paragraph 1 may be electronic but shall allow the materials used in the manufacture of the exported products to be traced and their originating status to be confirmed.
3. The obligations provided for in paragraphs 1 and 2 shall also apply to suppliers who provide exporters with the supplier's declaration referred to in Article 27.

## *Article 26*

### *Statement on origin and information for cumulation purpose*

1. A statement on origin shall be made out by the exporter when the products to which it relates are exported, if the goods concerned can be considered as originating in the OCT.
2. By derogation from paragraph 1, a statement on origin may exceptionally be made out after exportation (retrospective statement) on condition that it is presented in the Member State of declaration for release for free circulation no longer than two years after the export.
3. The statement on origin shall be provided by the exporter to his customer in the Union and shall contain the particulars specified in Appendix IV. A statement on origin shall be made out in either English or French.

It may be made out on any commercial document allowing to identify the exporter concerned and the goods involved.

4. For the purpose of Article 2(2) or of bilateral cumulation under Article 7:
  - (a) the evidence of originating status of the materials coming from another OCT or from the Union shall be given by means of a statement on origin made out in accordance with this Annex and provided to the exporter by the supplier in the OCT or in the Union, from which the materials came;
  - (b) the evidence of working or processing carried out in another OCT or in the Union shall be given by means of a supplier's declaration, made out in accordance with Article 27 and provided to the exporter by the supplier in the OCT or in the Union, from which the materials came.

In these cases, the statement on origin made out by the exporter shall, as the case may be, contain the indication 'EU cumulation', 'OCT cumulation' or 'Cumul UE', 'cumul PTOM'.



5. For the purpose of cumulation with an EPA country under Article 8:

- (a) the evidence of originating status of the materials coming from an EPA country shall be given by means of a proof of origin issued or made out in accordance with the provisions of the EPA between the Union and the EPA country concerned, and provided to the exporter by the supplier in the EPA country from which the materials came;
- (b) the evidence of working or processing carried out in the EPA country shall be given by means of a supplier's declaration, made out in accordance with Article 27 and provided to the exporter by the supplier in the EPA country from which the materials came.

In this case, the statement on origin made out by the exporter shall contain the indication 'cumulation with EPA country [name of the country]' or 'cumul avec le pays APE [nom du pays]'.

6. For the purpose of cumulation with other countries benefiting from duty-free quota-free access to the market of the Union under GSP under Article 9, the evidence of originating status shall be given by the proofs of origin provided for in Regulation (EU) 2015/2447, provided to the exporter by the supplier in the GSP country from which the materials came.

In this case, the statement on origin made out by the exporter shall contain the indication 'cumulation with GSP country [name of the country]' or 'cumul avec le pays SPG [nom du pays]'.

7. For the purpose of extended cumulation under Article 10, the evidence of originating status of the materials coming from a country with which the Union has a free trade agreement shall be given by means of a proof of origin issued or made out in accordance with the provisions of that free trade agreement, provided to the exporter by the supplier in the country from which the materials came.

In this case, the statement on origin made out by the exporter shall contain the indication ‘extended cumulation with country [name of the country]’ or ‘cumul étendu avec le pays [nom du pays]’.

#### *Article 27*

##### *Supplier's declaration*

1. For the purpose of paragraphs 4(b) and 5(b) of Article 26, a supplier's declaration shall be made out by the supplier for each consignment of materials on the commercial invoice related to that shipment or in an annex to that invoice, or on a delivery note or other commercial document related to that shipment which describes the materials concerned in sufficient detail to enable them to be identified. A specimen of the supplier's declaration appears in Appendix V.
2. When a supplier regularly supplies a particular customer with goods whose status in respect of the rules of preferential origin is expected to remain constant for considerable periods of time, he may provide a single declaration, hereinafter referred to as ‘a long-term supplier's declaration’, provided that facts or circumstances on which it is granted remain unchanged, to cover subsequent shipments of those goods.

A long-term supplier's declaration may be issued for a period of up to one year from the date of issue of the declaration. A long-term supplier's declaration may be issued with retroactive effect. In such cases, its validity may not exceed a period of one year from the date on which it came into effect. The period of validity shall be indicated in the long-term supplier's declaration.

The customs authority may revoke a long term supplier's declaration, should the circumstances change, or when inaccurate or false information has been provided.

The supplier shall inform the client immediately when the long-term supplier's declaration is no longer valid in relation to the goods supplied.

3. A supplier's declaration may be made out on a pre-printed form.
4. The suppliers' declarations shall be signed in manuscript. However, where the invoice and the supplier's declaration are established using electronic data-processing methods, the supplier's declaration need not be signed in manuscript, provided that the responsible officer in the supplying company is identified to the satisfaction of the customs authorities in the country or territory where the suppliers' declarations were established. The said customs authorities may lay down conditions for the implementation of this paragraph.

### *Article 28*

#### *Submission of a proof of origin*

1. A statement on origin shall be made out for each consignment.
2. A statement on origin shall be valid for twelve months from the date of its making out by the exporter.

3. A single statement on origin may cover several consignments if the goods meet the following conditions:
- (a) they are dismantled or non-assembled products within the meaning of general rule 2(a) of the Harmonized system;
  - (b) they are falling within Section XVI or XVII or heading 7308 or 9406 of the Harmonized System; and
  - (c) they are intended to be imported by instalments.

### **SECTION 3**

#### **PROCEDURES AT RELEASE FOR FREE CIRCULATION IN THE UNION**

##### *Article 29*

##### *Submission of proof of origin*

1. The customs declaration for release for free circulation shall make reference to the statement on origin. The statement on origin shall be kept at the disposal of the customs authorities, which may request its submission for the verification of the declaration. Those authorities may also require a translation of the statement into the official language, or one of the official languages, of the Member State concerned.
2. Where the application of the benefits from this Decision is requested by the declarant, without a statement on origin being in his possession at the time of the acceptance of the customs declaration for release for free circulation, that declaration shall be considered as being simplified within the meaning of Article 166 of Regulation (EU) 952/2013 and treated accordingly.

3. Before declaring goods for release for free circulation, the declarant shall take due care that the goods comply with the rules in this Annex by, in particular, checking:
- (a) on the public website referred to in Article 40(3) and Article 40(4) that the exporter is registered to make statements on origin, except where the total value of the originating products consigned does not exceed EUR 10,000; and
  - (b) that the statement on origin is made out in accordance with Appendix IV.

### *Article 30*

#### *Exemption from proof of origin*

1. The following products shall be exempted from the obligation to make out and produce a statement on origin:
- (a) products sent as small packages from private persons to private persons, the total value of which does not exceed EUR 500;
  - (b) products forming part of travellers' personal luggage, the total value of which does not exceed EUR 1200.
2. The products referred to in paragraph 1 shall meet the following conditions:
- (a) they are not imported by way of trade;
  - (b) they have been declared as meeting the conditions for benefiting from this Decision;
  - (c) there is no doubt as to the veracity of the declaration referred to in point (b).

3. For the purposes of point (a) of paragraph 2, imports shall not be considered as imports by way of trade if all the following conditions are met:
- (a) the imports are occasional;
  - (b) the imports consist solely of products for the personal use of the recipients or travellers or their families;
  - (c) it is evident from the nature and quantity of the products that no commercial purpose is in view.

### *Article 31*

#### *Discrepancies and formal errors*

1. The discovery of slight discrepancies between the particulars included in a statement on origin and those mentioned in the documents submitted to the customs authorities for the purpose of carrying out the formalities for importing the products shall not ipso facto render the statement on origin null and void if it is duly established that that document does correspond to the products concerned.
2. Obvious formal errors such as typing errors on a statement on origin shall not cause this document to be rejected if these errors are not such as to create doubts concerning the correctness of the statements made in that document.

*Article 32*  
*Validity of statements on origin*

Statements on origin which are submitted to the customs authorities of the importing country after the period of validity mentioned in Article 28(2) may be accepted for the purpose of applying the tariff preferences, where failure to submit these documents by the final date set is due to exceptional circumstances. In other cases of belated presentation, the customs authorities of the importing country may accept the statements on origin where the products have been presented to customs before the said final date.

*Article 33*  
*Procedure for importation by instalments*

1. The procedure referred to in Article 28(3) shall apply for a period determined by the customs authorities of the Member States.
2. The customs authorities of the Member States of importation supervising the successive releases for free circulation shall verify that the successive consignments are part of the dismantled or non-assembled products for which the statement on origin has been made out.

*Article 34*  
*Verification of statements on origin*

1. The customs authorities may, where they have doubts with regard to the originating status of the products request the declarant to produce, within a reasonable time period which they shall specify, any available evidence for the purpose of verifying the accuracy of the indication of origin on the statement or the compliance with the conditions under Article 18.

2. The customs authorities may suspend the application of the preferential tariff measure for the duration of the verification procedure laid down in Article 43 where:
  - (a) the information provided by the declarant is not sufficient to confirm the originating status of the products or the compliance with the conditions laid down in Article 17 (2) or Article 18;
  - (b) the declarant does not reply within the time period allowed for provision of the information referred to in paragraph 1.
3. While awaiting either the information requested from the declarant, referred to in paragraph 1, or the results of the verification procedure, referred to in paragraph 2, release of the products shall be offered to the importer subject to any precautionary measures judged necessary.

#### *Article 35*

#### *Denial of preferences*

1. The customs authorities of the Member State of importation shall refuse entitlement to the benefits of this Decision, without being obliged to request any additional evidence or send a request for verification to the OCT where:
  - (a) the goods are not the same as those mentioned in the statement on origin;
  - (b) the declarant fails to submit a statement on origin for the products concerned, where such a statement is required;
  - (c) without prejudice to point (b) of Article 21 and to Article 30(1), the statement on origin in possession of the declarant has not been made out by an exporter registered in the OCT;



- (d) the statement on origin is not made out in accordance with Appendix IV;
- (e) the conditions of Article 18 are not met;

2. The customs authorities of the Member State of importation shall refuse entitlement to the benefits of this Decision, following a request for verification within the meaning of Article 43 addressed to the competent authorities of the OCTs, where the customs authorities of the Member State of importation:

- (a) have received a reply according to which the exporter was not entitled to make out the statement on origin;
- (b) have received a reply according to which the products concerned are not originating in the OCT concerned or the conditions of Article 17 (2) were not met;
- (c) had reasonable doubt as to the validity of the statement on origin or the accuracy of the information provided by the declarant regarding the true origin of the products in question when they made the request for verification; and
  - have received no reply within the time period permitted in accordance with Article 43;
  - or
  - have received a reply not providing adequate answers to the questions raised in the request.

**TITLE V**  
**ARRANGEMENTS FOR ADMINISTRATIVE COOPERATION**

**SECTION 1**  
**GENERAL**

*Article 36*  
*General Principles*

1. In order to ensure the proper application of the preferences, OCTs shall:
  - (a) put in place and to maintain the necessary administrative structures and systems required for the implementation and management in that country of the rules and procedures laid down in this Annex, including where appropriate the arrangements necessary for the application of cumulation;
  - (b) cooperate, through their competent authorities with the Commission and the customs authorities of the Member States.
2. The cooperation referred to in point (b) of paragraph 1 shall consist of:
  - (a) providing all necessary support in the event of a request by the Commission for the monitoring by it of the proper implementation of this Annex in the country concerned, including verification visits on the spot by the Commission or the customs authorities of the Member States;
  - (b) without prejudice to Articles 34 and 35, verifying the originating status of products and the compliance with the other conditions laid down in this Annex, including verification visits on the spot, where requested by the Commission or the customs authorities of the Member States in the context of origin investigations;

(c) where the verification procedure or any other available information appears to indicate that the provisions of this Annex are being contravened, the OCT on its own initiative or at the request of the Commission or the customs authorities of the Member States shall carry out appropriate enquiries or arrange for such enquiries to be carried out with due urgency to identify and prevent such contraventions. The Commission and the customs authorities of the Member States may participate in the enquiries.

3. OCTs shall submit to the Commission, before 1 January 2020, a formal undertaking to comply with the requirements of paragraph 1.

### *Article 37*

#### *Publication requirements and compliance*

1. The Commission shall publish in the *Official Journal of the European Union* (C Series) the list of OCTs and the date on which they are considered to meet the conditions referred to in Article 39. The Commission shall update this list when a new OCT fulfils the same conditions.
2. Products originating within the meaning of this Annex in an OCT shall benefit, on release for free circulation in the Union, from the tariff preferences only on condition that they were exported on or after the date specified in the list referred to in paragraph 1.
3. An OCT shall be considered to comply with Articles 36 and 39 on the date on which it has:
  - (a) made the notification referred to in Article 39(1), and
  - (b) submitted the undertaking referred to in Article 36(3).

*Article 38*

*Penalties*

Penalties shall be imposed on any person who draws up, or causes to be drawn up, a document which contains incorrect information for the purpose of obtaining a preferential treatment for products.

**SECTION 2**

**METHODS OF ADMINISTRATIVE COOPERATION APPLICABLE FOR THE  
REGISTERED EXPORTER SYSTEM**

*Article 39*

*Communication of names and addresses of competent authorities*

1. The OCTs shall notify to the Commission the names and addresses of the authorities situated in their territory which are:
  - (a) part of the governmental authorities of the country concerned and empowered to support the Commission and the customs authorities of the Member States through the administrative co-operation as provided for in this Title;
  - (b) part of the governmental authorities of the country concerned, or act under the authority of the government, and empowered to register exporters and to withdraw them from the record of registered exporters;
2. The OCTs shall inform the Commission immediately of any changes to the information notified under paragraphs 1 and 2.
3. The Commission shall send this information to the customs authorities of the Member States.

*Article 40*

*Database of registered exporters: access rights and publication of data*

1. The Commission shall have access to consult all the data.
2. The competent authorities of the OCTs shall have access to consult the data concerning exporters registered by them.

The Commission shall provide secure access to the REX system to the competent authorities of the OCTs.

3. The Commission shall make the following data available to the public with the consent given by the exporter by signing box 6 of the form set out in Appendix III:
  - (a) name of the registered exporter, as specified in box 1 of the form set out in Appendix III;
  - (b) address of the place where the registered exporter is established, as specified in box 1 of the form set out in Appendix III;
  - (c) contact details as specified in box 1 and box 2 of the form set out in Appendix III;
  - (d) indicative description of the goods which qualify for preferential treatment, including indicative list of Harmonised System headings or chapters, as specified in box 4 of the form set out in Appendix III;
  - (e) trader identification number (TIN) of the registered exporter, as specified in box 1 of the form set out in Appendix III;
  - (f) whether the registered exporter is a trader or a producer, as specified in box 3 of the form set out in Appendix III.

The refusal to sign box 6 shall not constitute a ground for refusing to register the exporter.

4. The Commission shall always make the following data available to the public
- (a) the number of registered exporter;
  - (b) the date of registration of the registered exporter;
  - (c) the date from which the registration is valid;
  - (d) the date of the revocation of the registration where applicable.

#### *Article 41*

##### *Database of registered exporters: data protection*

1. The data registered by the competent authorities of the OCTs in the REX system shall be processed solely for the purpose of the application of this Decision.
2. Registered exporters shall be provided with the information laid down in Article 11(1) (a) to (e) of Regulation (EC) No 45/2001<sup>4</sup> or Articles 12 to 14 of Regulation (EU) 2016/679<sup>5</sup>. In addition, they shall also be provided with the following information:
  - (a) information concerning the legal basis of the processing operations for which the data is intended;
  - (b) the data retention period.

Registered exporters shall be provided with that information via a notice attached to the application to become a registered exporter as set out in Appendix III.

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<sup>4</sup> Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18 December 2000 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data (OJ L 8, 12.1.2001, p. 1).

<sup>5</sup> Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119, 4.5.2016, p. 1).

3. Each competent authority in an OCT that has introduced data into the REX system shall be considered the controller with respect to the processing of those data.

The Commission shall be considered as a joint controller with respect to the processing of all data to guarantee that the registered exporter will obtain his rights.

4. The rights of registered exporters with regard to the processing of data listed in Appendix III, which are stored in the REX system and processed in national systems, shall be exercised in accordance with Regulation (EU) 2016/679.
5. Member States who replicate in their national systems the data of the REX system they have access to shall keep the replicated data up-to-date.
6. The rights of registered exporters with regard to the processing of their registration data by the Commission shall be exercised in accordance with Regulation (EC) No 45/2001.
7. Any request by a registered exporter to exercise the right of access, rectification, erasure or blocking of data in accordance with Regulation (EC) No 45/2001 shall be submitted to and processed by the controller of data.

Where a registered exporter has submitted such a request to the Commission without having tried to obtain his rights from the controller of data, the Commission shall forward that request to the controller of data of the registered exporter.

If the registered exporter fails to obtain his rights from the controller of data, the registered exporter shall submit such request to the Commission acting as controller. The Commission shall have the right to rectify, erase or block the data.

8. The national supervisory data protection authorities and the European Data Protection Supervisor, each acting within the scope of their respective competence, shall cooperate and ensure coordinated supervision of the registration data.

They shall, each acting within the scope of their respective competences, exchange relevant information, assist each other in carrying out audits and inspections, examine difficulties of interpretation or application of this Regulation, study problems with the exercise of independent supervision or in the exercise of the rights of data subjects, draw up harmonised proposals for joint solutions to any problems and promote awareness of data protection rights, as necessary.

#### *Article 42*

##### *Control of origin*

1. For the purpose of ensuring compliance with the rules concerning the originating status of products, the competent authorities of the OCT shall carry out:
  - (a) verifications of the originating status of products at the request of the customs authorities of the Member States;
  - (b) regular controls on exporters on their own initiative.
2. The controls referred to in point (b) of paragraph 1 shall ensure the continued compliance of exporters with their obligations. They shall be carried out at intervals determined on the basis of appropriate risk analysis criteria. For that purpose, the competent authorities of the OCTs shall require exporters to provide copies or a list of the statements on origin they have made out.
3. The competent authorities of the OCTs shall have the right to call for any evidence and to carry out any inspection of the exporter's accounts and, where appropriate, those of producers supplying the exporter, including at the premises, or any other check considered appropriate.



*Article 43*

*Request for verification of statements on origin*

1. Subsequent verifications of statements on origin shall be carried out at random or whenever the customs authorities of the Member States have reasonable doubts as to their authenticity, the originating status of the products concerned or the fulfilment of other requirements of this Annex.

Where the customs authorities of a Member State request the cooperation of the competent authorities of an OCT to carry out a verification of the validity of statements on origin, the originating status of products, or of both, it shall, where appropriate, indicate on its request the reasons why it has reasonable doubts on the validity of the statement on origin or the originating status of the products.

A copy of the statement on origin and any additional information or documents suggesting that the information given on that statement is incorrect may be forwarded in support of the request for verification.

The requesting Member State shall set a 6-month initial deadline to communicate the results of the verification, starting from the date of the verification request.

2. If in cases of reasonable doubt there is no reply within the period specified in paragraph 1 or if the reply does not contain sufficient information to determine the real origin of the products, a second communication shall be sent to the competent authorities. This communication shall set a further deadline of not more than 6 months.

## *Article 44*

### *Verification of suppliers' declarations*

1. Verification of suppliers' declaration referred to in Article 27 may be carried out at random or whenever the customs authorities of the importing country have reasonable doubts as to the authenticity of the document or the accuracy or completeness of the information concerning the true origin of the materials in question.
2. The customs authorities to which a supplier's declaration is submitted may request the customs authorities of the country where the declaration was made to issue an information certificate, a specimen of which appears in Appendix VI. Alternatively, the customs authorities to which a supplier's declaration is submitted may request the exporter to produce an information certificate issued by the customs authorities of the country where the supplier's declaration was made out.

A copy of the information certificate shall be preserved by the office which has issued it for at least three years.

3. The requesting customs authorities shall be informed of the results of the verification as soon as possible. The results must be such as to indicate positively whether the declaration concerning the status of the materials is correct.
4. For the purpose of verification, suppliers shall keep for not less than three years a copy of the document containing the declaration together with all necessary evidence showing the true status of the materials.
5. The customs authorities in the country where the supplier's declaration is made out shall have the right to call for any evidence or to carry out any check which they consider appropriate in order to verify the correctness of any supplier's declaration.
6. Any statement on origin made out on the basis of an incorrect supplier's declaration shall be considered null and void.

*Article 45*  
*Other provisions*

1. Section 2 of Title IV and Section 2 of Title V shall apply *mutatis mutandis* to:
  - (a) exports from the Union to an OCT for the purpose of bilateral cumulation as provided for in Article 7;
  - (b) exports from one OCT to another for the purpose of OCT cumulation as provided for in Article 2(2);
  - (c) exports from the Union to an OCT when this OCT grants unilaterally a preferential tariff treatment to a product originating in the EU, in accordance with this Annex.
2. In the cases referred to in points (a) and (c) of paragraph (1), exporters shall be registered in the Union in accordance with Article 68 of Regulation (EU) 2015/2447.

**TITLE VI**  
**CEUTA AND MELILLA**

*Article 46*

1. The provisions of this Annex concerning the issue, use and subsequent verification of proofs of origin shall apply *mutatis mutandis* to products exported from an OCT to Ceuta and Melilla and to products exported from Ceuta and Melilla to an OCT for the purposes of bilateral cumulation.
2. Ceuta and Melilla shall be considered as a single territory.
3. The Spanish customs authorities shall be responsible for the application of this Annex in Ceuta and Melilla.

## **Appendix I**

### **Introductory notes and list of working or processing operations which confer originating status**

#### **INTRODUCTORY NOTES**

##### **Note 1 – General introduction**

This Appendix lays down the conditions pursuant to Article 4 under which products shall be considered to originate in the OCT concerned. There are four different types of rules, which vary according to the product:

- (a) through working or processing a maximum content of non-originating materials is not exceeded;
- (b) through working or processing the 4-digit Harmonized System heading or 6-digit Harmonized System sub-heading of the manufactured products becomes different from the 4-digit Harmonized System heading or 6-digit sub-heading respectively of the materials used;
- (c) a specific working and processing operation is carried out;
- (d) working or processing is carried out on certain wholly obtained materials.

## **Note 2 – The structure of the list**

- 2.1. Columns 1 and 2 describe the product obtained. Column 1 gives the chapter number, 4-digit heading or 6-digit sub-heading number used in the Harmonised System, as appropriate. Column 2 gives the description of goods used in that system for that heading or chapter. For each entry in columns 1 and 2, subject to Note 2.4, one or more rules ("qualifying operations") are set out in column 3. These qualifying operations concern only non-originating materials. Where, in some cases, the entry in column 1 is preceded by "ex", this signifies that the rule in column 3 applies only to the part of that heading as described in column 2.
- 2.2. Where several Harmonised System headings or sub-headings are grouped together in column 1 or a chapter number is given and the description of products in column 2 is therefore given in general terms, the adjacent rule in column 3 applies to all products which, under the Harmonised System, are classified in headings of the chapter or in any of the headings or sub-headings grouped together in column 1.
- 2.3. Where there are different rules in the list applying to different products within a heading, each indent contains the description of that part of the heading covered by the adjacent rule in column 3.
- 2.4. Where two alternative rules are set out in column 3, separated by "*or*", it is at the choice of the exporter which one to use.

## **Note 3 – Examples of how to apply the rules**

- 3.1. Article 4(2), concerning products having acquired originating status which are used in the manufacture of other products, shall apply, regardless of whether this status has been acquired inside the factory where these products are used or in another factory in the OCT or in the Union.

- 3.2. Pursuant to Article 5, the working or processing carried out must go beyond the list of operations mentioned in that Article. If it does not, the goods shall not qualify for the granting of the benefit of preferential tariff treatment, even if the conditions set out in the list below are met.

Subject to the provision referred to in the first sub-paragraph, the rules in the list represent the minimum amount of working or processing required, and the carrying-out of more working or processing also confers originating status; conversely, the carrying-out of less working or processing cannot confer originating status. Thus, if a rule provides that non-originating material, at a certain level of manufacture, may be used, the use of such material at an earlier stage of manufacture is allowed, and the use of such material at a later stage is not.

- 3.3. Without prejudice to Note 3.2, where a rule uses the expression “Manufacture from materials of any heading”, then materials of any heading(s) (even materials of the same description and heading as the product) may be used, subject, however, to any specific limitations which may also be contained in the rule.

However, the expression “Manufacture from materials of any heading, including other materials of heading ...” or “Manufacture from materials of any heading, including other materials of the same heading as the product” means that materials of any heading(s) may be used, except those of the same description as the product as given in column 2 of the list.

- 3.4. When a rule in the list specifies that a product may be manufactured from more than one material, this means that one or more materials may be used. It does not require that all be used.
- 3.5. Where a rule in the list specifies that a product must be manufactured from a particular material, the rule does not prevent the use also of other materials which, because of their inherent nature, cannot satisfy this condition.

#### **Note 4 – General provisions concerning certain agricultural goods**

- 4.1. Agricultural goods falling within Chapters 6, 7, 8, 9, 10, 12 and heading 2401 which are grown or harvested in the territory of an OCT shall be treated as originating in the territory of that country, even if grown from seeds, bulbs, rootstock, cuttings, grafts, shoots, buds, or other live parts of plants imported from another country.
- 4.2. In cases where the content of non-originating sugar in a given product is subject to limitations, the weight of sugars of headings 1701 (sucrose) and 1702 (e.g., fructose, glucose, lactose, maltose, isoglucose or invert sugar) used in the manufacture of the final product and used in the manufacture of the non-originating products incorporated in the final product is taken into account for the calculation of such limitations.

#### **Note 5 - Terminology used in respect of certain textile products**

- 5.1. The term “natural fibres” is used in the list to refer to fibres other than artificial or synthetic fibres. It is restricted to the stages before spinning takes place, including waste, and, unless otherwise specified, includes fibres which have been carded, combed or otherwise processed, but not spun.
- 5.2. The term “natural fibres” includes horsehair of heading 0503, silk of headings 5002 and 5003, as well as wool-fibres and fine or coarse animal hair of headings 5101 to 5105, cotton fibres of headings 5201 to 5203, and other vegetable fibres of headings 5301 to 5305.
- 5.3. The terms “textile pulp”, “chemical materials” and “paper-making materials” are used in the list to describe the materials, not classified in Chapters 50 to 63, which can be used to manufacture artificial, synthetic or paper fibres or yarns.
- 5.4. The term “man-made staple fibres” is used in the list to refer to synthetic or artificial filament tow, staple fibres or waste, of headings 5501 to 5507.

## **Note 6 - Tolerances applicable to products made of a mixture of textile materials**

- 6.1. Where, for a given product in the list, reference is made to this Note, the conditions set out in column 3 shall not be applied to any basic textile materials used in the manufacture of this product and which, taken together, represent 10% or less of the total weight of all the basic textile materials used. (See also Notes 6.3 and 6.4)
- 6.2. However, the tolerance mentioned in Note 6.1 may be applied only to mixed products which have been made from two or more basic textile materials.

The following are the basic textile materials:

- silk;
- wool;
- coarse animal hair;
- fine animal hair;
- horsehair;
- cotton;
- paper-making materials and paper;
- flax;
- true hemp;
- jute and other textile bast fibres;
- sisal and other textile fibres of the genus *Agave*;
- coconut, abaca, ramie and other vegetable textile fibres;



- synthetic man-made filaments;
- artificial man-made filaments;
- current-conducting filaments;
- synthetic man-made staple fibres of polypropylene;
- synthetic man-made staple fibres of polyester;
- synthetic man-made staple fibres of polyamide;
- synthetic man-made staple fibres of polyacrylonitrile;
- synthetic man-made staple fibres of polyimide;
- synthetic man-made staple fibres of polytetrafluoroethylene;
- synthetic man-made staple fibres of poly(phenylene sulphide);
- synthetic man-made staple fibres of poly(vinyl chloride);
- other synthetic man-made staple fibres;
- artificial man-made staple fibres of viscose;
- other artificial man-made staple fibres;
- yarn made of polyurethane segmented with flexible segments of polyether, whether or not gimped;
- yarn made of polyurethane segmented with flexible segments of polyester, whether or not gimped;

- products of heading 5605 (metallised yarn) incorporating strip consisting of a core of aluminium foil or of a core of plastic film whether or not coated with aluminium powder, of a width not exceeding 5 mm, sandwiched by means of a transparent or coloured adhesive between two layers of plastic film;
- other products of heading 5605;
- glass fibres;
- metal fibres.

*Example:*

A yarn, of heading 5205, made from cotton fibres of heading 5203 and synthetic staple fibres of heading 5506, is a mixed yarn. Therefore, non-originating synthetic staple fibres which do not satisfy the origin rules may be used, provided that their total weight does not exceed 10% of the weight of the yarn.

*Example:*

A woollen fabric, of heading 5112, made from woollen yarn of heading 5107 and synthetic yarn of staple fibres of heading 5509, is a mixed fabric. Therefore, synthetic yarn which does not satisfy the origin rules, or woollen yarn which does not satisfy the origin rules, or a combination of the two, may be used, provided that their total weight does not exceed 10% of the weight of the fabric.

*Example:*

Tufted textile fabric, of heading 5802, made from cotton yarn of heading 5205 and cotton fabric of heading 5210, is only a mixed product if the cotton fabric is itself a mixed fabric made from yarns classified in two separate headings, or if the cotton yarns used are themselves mixtures.

*Example:*

If the tufted textile fabric concerned had been made from cotton yarn of heading 5205 and synthetic fabric of heading 5407, then, obviously, the yarns used are two separate basic textile materials and the tufted textile fabric is, accordingly, a mixed product.

- 6.3. In the case of products incorporating “yarn made of polyurethane segmented with flexible segments of polyether, whether or not gimped”, the tolerance is 20% in respect of this yarn.
- 6.4. In the case of products incorporating “strip consisting of a core of aluminium foil or of a core of plastic film whether or not coated with aluminium powder, of a width not exceeding 5 mm, sandwiched by means of a transparent or coloured adhesive between two layers of plastic film”, the tolerance is 30% in respect of this strip.

**Note 7 - Other tolerances applicable to certain textile products**

- 7.1. Where, in the list, reference is made to this Note, textile materials which do not satisfy the rule set out in the list in column 3 for the made-up product concerned, may be used, provided that they are classified in a heading other than that of the product and that their value does not exceed 8 % of the ex-works price of the product.
- 7.2. Without prejudice to Note 7.3, materials, which are not classified within Chapters 50 to 63, may be used freely in the manufacture of textile products, whether or not they contain textiles.

*Example:*

If a rule in the list provides that, for a particular textile item (such as trousers), yarn must be used, this does not prevent the use of metal items, such as buttons, because buttons are not classified within Chapters 50 to 63. For the same reason, it does not prevent the use of slide-fasteners, even though slide-fasteners normally contain textiles.

- 7.3. Where a percentage rule applies, the value of materials which are not classified within Chapters 50 to 63 must be taken into account when calculating the value of the non-originating materials incorporated.

**Note 8 - Definition of specific processes and simple operations carried out in respect of certain products of Chapter 27**

- 8.1. For the purposes of headings ex 2707 and 2713, the “specific processes” are the following:
- (a) vacuum-distillation;
  - (b) redistillation by a very thorough fractionation-process<sup>1</sup>;
  - (c) cracking;
  - (d) reforming;
  - (e) extraction by means of selective solvents;
  - (f) the process comprising all of the following operations: processing with concentrated sulphuric acid, oleum or sulphuric anhydride; neutralisation with alkaline agents; decolourisation and purification with naturally-active earth, activated earth, activated charcoal or bauxite;
  - (g) polymerisation;
  - (h) alkylation;
  - (i) isomerisation.

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<sup>1</sup> See additional explanatory Note 4(b) to Chapter 27 of the Combined Nomenclature.

8.2. For the purposes of headings 2710, 2711 and 2712, the “specific processes” are the following:

- (a) vacuum-distillation;
- (b) redistillation by a very thorough fractionation-process<sup>2</sup>;
- (c) cracking;
- (d) reforming;
- (e) extraction by means of selective solvents;
- (f) the process comprising all of the following operations: processing with concentrated sulphuric acid, oleum or sulphuric anhydride; neutralisation with alkaline agents; decolourisation and purification with naturally-active earth, activated earth, activated charcoal or bauxite;
- (g) polymerisation;
- (h) alkylation;
- (i) isomerisation;
- (j) in respect of heavy oils of heading ex 2710 only, desulphurisation with hydrogen, resulting in a reduction of at least 85% of the sulphur-content of the products processed (ASTM D 1266-59 T method);
- (k) in respect of products of heading 2710 only, deparaffining by a process other than filtering;

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<sup>2</sup> See additional explanatory Note 4(b) to Chapter 27 of the Combined Nomenclature.

- (l) in respect of heavy oils of heading ex 2710 only, treatment with hydrogen, at a pressure of more than 20 bar and a temperature of more than 250°C, with the use of a catalyst, other than to effect desulphurisation, when the hydrogen constitutes an active element in a chemical reaction. The further treatment, with hydrogen, of lubricating oils of heading ex 2710 (e.g. hydrofinishing or decolourisation), in order, more especially, to improve colour or stability shall not, however, be deemed to be a specific process;
- (m) in respect of fuel oils of heading ex 2710 only, atmospheric distillation, on condition that less than 30% of these products distils, by volume, including losses, at 300 °C, by the ASTM D 86 method;
- (n) in respect of heavy oils other than gas oils and fuel oils of heading ex 2710 only, treatment by means of a high-frequency electrical brush-discharge;
- (o) in respect of crude products (other than petroleum jelly, ozokerite, lignite wax or peat wax, paraffin wax containing by weight less than 0.75% of oil) of heading ex 2712 only, de-oiling by fractional crystallisation.

8.3. For the purposes of headings ex 2707 and 2713, simple operations, such as cleaning, decanting, desalting, water-separation, filtering, colouring, marking, obtaining a sulphur-content as a result of mixing products with different sulphur-contents, or any combination of these operations or like operations, do not confer origin.

**LIST OF PRODUCTS AND WORKING OR PROCESSING OPERATIONS WHICH  
CONFER ORIGINATING STATUS**

<b>Harmonised System heading</b>	<b>Description of product</b>	<b>Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>
Chapter 1	Live animals	All the animals of Chapter 1 are wholly obtained
Chapter 2	Meat and edible meat offal	Manufacture in which all the meat and edible meat offal in the products of this chapter is wholly obtained
ex Chapter 3	Fish and crustaceans, molluscs and other aquatic invertebrates, except for:	All fish and crustaceans, molluscs and other aquatic invertebrates are wholly obtained
0304	Fish fillets and other fish meat (whether or not minced), fresh, chilled or frozen	Manufacture in which all the materials of Chapter 3 used are wholly obtained
0305	Fish, dried, salted or in brine; smoked fish, whether or not cooked before or during the smoking process; flours, meals and pellets of fish, fit for human consumption	Manufacture in which all the materials of Chapter 3 used are wholly obtained
ex 0306	Crustaceans, whether in shell or not, dried, salted or in brine; crustaceans, in shell, cooked by steaming or by boiling in water, whether or not chilled, frozen, dried, salted or in brine; flours, meals and pellets of crustaceans, fit for human consumption	Manufacture in which all the materials of Chapter 3 used are wholly obtained

Harmonised System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
ex 0307	Molluscs, whether in shell or not, dried, salted or in brine; aquatic invertebrates other than crustaceans and molluscs, dried, salted or in brine; flours, meals and pellets of crustaceans, fit for human consumption	Manufacture in which all the materials of Chapter 3 used are wholly obtained
Chapter 4	Dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere specified or included;	Manufacture in which: <ul style="list-style-type: none"> <li>– all the materials of Chapter 4 used are wholly obtained; and</li> <li>– the weight of sugar<sup>1</sup> used does not exceed 40% of the weight of the final product</li> </ul>
ex Chapter 5	Products of animal origin, not elsewhere specified or included, except for:	Manufacture from materials of any heading
ex 0511 91	Inedible fish eggs and roes	All the eggs and roes are wholly obtained
Chapter 6	Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage	Manufacture in which all the materials of Chapter 6 used are wholly obtained
Chapter 7	Edible vegetables and certain roots and tubers	Manufacture in which all the materials of Chapter 7 used are wholly obtained

<sup>1</sup> See Introductory Note 4.2.



<b>Harmonised System heading</b>	<b>Description of product</b>	<b>Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>
Chapter 8	Edible fruit and nuts; peel of citrus fruits or melons	Manufacture in which: <ul style="list-style-type: none"> <li>– all the fruit, nuts and peels of citrus fruits or melons of Chapter 8 used are wholly obtained, and</li> <li>– the weight of sugar<sup>2</sup> used does not exceed 40% of the weight of the final product</li> </ul>
Chapter 9	Coffee, tea, maté and spices;	Manufacture from materials of any heading
Chapter 10	Cereals	Manufacture in which all the materials of Chapter 10 used are wholly obtained
ex Chapter 11	Products of the milling industry; malt; starches; inulin; wheat gluten; except for:	Manufacture in which all the materials of Chapters 10 and 11, headings 0701 and 2303, and sub-heading 0710 10 used are wholly obtained
ex 1106	Flour, meal and powder of the dried, shelled leguminous vegetables of heading 0713	Drying and milling of leguminous vegetables of heading 0708
Chapter 12	Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal plants; straw and fodder	Manufacture from materials of any heading, except that of the product
Chapter 13	Lac; gums, resins and other vegetable saps and extracts	Manufacture from materials of any heading, in which the weight of sugar <sup>3</sup> used does not exceed 40% of the weight of the final product
Chapter 14	Vegetable plaiting materials; vegetable products not elsewhere specified or included	Manufacture from materials of any heading

<sup>2</sup> See Introductory Note 4.2.

<sup>3</sup> See Introductory Note 4.2.

<b>Harmonised System heading</b>	<b>Description of product</b>	<b>Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>
ex Chapter 15	Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal or vegetable waxes; except for:	Manufacture from materials of any sub-heading, except that of the product
1501 to 1504	Fats from pig, poultry, bovine, sheep or goat, fish, etc	Manufacture from materials of any heading except that of the product
1505, 1506 and 1520	Wool grease and fatty substances derived therefrom (including lanolin). Other animal fats and oils and their fractions, whether or not refined, but not chemically modified.. Glycerol, crude; glycerol waters and glycerol lyes.	Manufacture from materials of any heading
1509 and 1510	Olive oil and its fractions	Manufacture in which all the vegetable materials used are wholly obtained

Harmonised System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
1516 and 1517	Animal or vegetable fats and oils and their fractions, partly or wholly hydrogenated, inter-esterified, re-esterified or elaidinised, whether or not refined, but not further prepared  Margarine; edible mixtures or preparations of animal or vegetable fats or oils or of fractions of different fats or oils of this Chapter, other than edible fats or oils or their fractions of heading 1516	Manufacture from materials of any heading, except that of the product
Chapter 16	Preparations of meat, of fish or of crustaceans, molluscs or other aquatic invertebrates	Manufacture: <ul style="list-style-type: none"> <li>– from materials of any heading, except meat and edible meat offal of Chapter 2 and materials of Chapter 16 obtained from meat and edible meat offal of Chapter 2, and</li> <li>– in which all the materials of Chapter 3 and materials of Chapter 16 obtained from fish and crustaceans, molluscs and other aquatic invertebrates of Chapter 3 used are wholly obtained</li> </ul>
ex Chapter 17	Sugars and sugar confectionery; except for:	Manufacture from materials of any heading, except that of the product
1702	Other sugars, including chemically pure lactose and glucose, in solid form; sugar syrups; artificial honey, whether or not mixed with natural honey; caramel	Manufacture from materials of any heading, except that of the product, in which the weight of the materials of headings 1101 to 1108, 1701 and 1703 used does not exceed 30% of the weight of the final product

Harmonised System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
1704	Sugar confectionery (including white chocolate), not containing cocoa	<p>Manufacture from materials of any heading, except that of the product, in which:</p> <ul style="list-style-type: none"> <li>– the individual weight of sugar<sup>4</sup> and of the materials of Chapter 4 used does not exceed 40% of the weight of the final product, and</li> <li>– the total combined weight of sugar<sup>5</sup> and the materials of Chapter 4 used does not exceed 60% of the weight of final product</li> </ul>
Chapter 18	Cocoa and cocoa preparations	<p>Manufacture from materials of any heading, except that of the product, in which</p> <ul style="list-style-type: none"> <li>– the individual weight of sugar<sup>6</sup> and of the materials of Chapter 4 used does not exceed 40% of the weight of the final product, and</li> <li>– the total combined weight of sugar<sup>7</sup> and the materials of Chapter 4 used does not exceed 60% of the weight of final product</li> </ul>
Chapter 19	Preparations of cereals, flour, starch or milk; pastrycooks' products	<p>Manufacture from materials of any heading, except that of the product, in which:</p> <ul style="list-style-type: none"> <li>– the weight of the materials of Chapters 2, 3 and 16 used does not exceed 20% of the weight of the final product, and</li> <li>– the weight of the materials of headings 1006 and 1101 to 1108 used does not exceed 20% of the weight of the final product, and</li> <li>– the individual weight of sugar<sup>8</sup> and of the materials of Chapter 4 used does not exceed 40% of the weight of the final product, and</li> <li>– the total combined weight of sugar<sup>9</sup> and the materials of Chapter 4 used does not exceed 60% of the weight of final product</li> </ul>

<sup>4</sup> See Introductory Note 4.2.

<sup>5</sup> See Introductory Note 4.2.

<sup>6</sup> See Introductory Note 4.2.

<sup>7</sup> See Introductory Note 4.2.

<sup>8</sup> See Introductory Note 4.2.

<sup>9</sup> See Introductory Note 4.2.

Harmonised System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
ex Chapter 20	Preparations of vegetables, fruit, nuts or other parts of plants; except for:	Manufacture from materials of any heading, except that of the product, in which the weight of sugar <sup>10</sup> used does not exceed 40% of the weight of the final product
2002 and 2003	Tomatoes, mushrooms and truffles prepared or preserved otherwise than by vinegar of acetic acid	Manufacture in which all the materials of Chapters 7 used are wholly obtained
Chapter 21	Miscellaneous edible preparations; except for:	Manufacture from materials of any heading, except that of the product, in which: <ul style="list-style-type: none"> <li>– the individual weight of sugar<sup>11</sup> and of the materials of Chapter 4 used does not exceed 40% of the weight of the final product, and</li> <li>– the total combined weight of sugar<sup>12</sup> and the materials of Chapter 4 used does not exceed 60% of the weight of final product</li> </ul>
Chapter 22	Beverages, spirits and vinegar	Manufacture from materials of any heading, except that of the product and headings 2207 and 2208, in which: <ul style="list-style-type: none"> <li>– all the materials of sub-headings 0806 10, 2009 61, 2009 69 used are wholly obtained, and</li> </ul>
		<ul style="list-style-type: none"> <li>– the individual weight of sugar<sup>13</sup> and of the materials of Chapter 4 used does not exceed 40% of the weight of the final product, and</li> <li>– the total combined weight of sugar<sup>14</sup> and the materials of Chapter 4 used does not exceed 60% of the weight of final product</li> </ul>
ex Chapter 23	Residues and waste from the food industries; prepared animal fodder; except for:	Manufacture from materials of any heading, except that of the product

<sup>10</sup> See Introductory Note 4.2.

<sup>11</sup> See Introductory Note 4.2.

<sup>12</sup> See Introductory Note 4.2.

<sup>13</sup> See Introductory Note 4.2.

<sup>14</sup> See Introductory Note 4.2.

Harmonised System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
ex 2302 ex 2303	Residues of starch manufacture	Manufacture from materials of any heading, except that of the product, in which the weight of the materials of Chapter 10 used does not exceed 20% of the weight of the final product
2309	Preparations of a kind used in animal feeding	<p>Manufacture from materials of any heading, except that of the product, in which:</p> <ul style="list-style-type: none"> <li>– all the materials of Chapters 2 and 3 used are wholly obtained, and</li> <li>– the weight of materials of Chapter 10 and 11 and headings 2302 and 2303 used does not exceed 20% of the weight of the final product, and</li> <li>– the individual weight of sugar<sup>15</sup>) and of the materials of Chapter 4 used does not exceed 40% of the weight of the final product, and</li> <li>– the total combined weight of sugar and the materials of Chapter 4 used does not exceed 60% of the weight of final product</li> </ul>
ex Chapter 24	Tobacco and manufactured tobacco substitutes; except for:	Manufacture from materials of any heading in which the weight of materials of Chapter 24 used does not exceed 30% of the total weight of materials of Chapter 24 used
2401  2402	<p>Unmanufactured tobacco; tobacco refuse</p> <p>Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes</p>	<p>All unmanufactured tobacco and tobacco refuse of Chapter 24 is wholly obtained</p> <p>Manufacture from materials of any heading, except that of the product and of heading 2403, and in which the weight of materials of heading 2401 used does not exceed 50% of the total weight of materials of heading 2401 used</p>
ex Chapter 25	Salt; sulphur; earths and stone; plastering materials, lime and cement; except for:	<p>Manufacture from materials of any heading, except that of the product</p> <p><i>or</i></p> <p>Manufacture in which the value of all the materials used does not exceed 70% of the ex-works price of the product</p>

<sup>15</sup> See Introductory Note 4.2.

Harmonised System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
ex 2519	Crushed natural magnesium carbonate (magnesite), in hermetically-sealed containers, and magnesium oxide, whether or not pure, other than fused magnesia or dead-burned (sintered) magnesia	Manufacture from materials of any heading, except that of the product. However, natural magnesium carbonate (magnesite) may be used
Chapter 26	Ores, slag and ash	Manufacture from materials of any heading, except that of the product
ex Chapter 27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes, except for:	Manufacture from materials of any heading, except that of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 70% of the ex-works price of the product
ex 2707	Oils in which the weight of the aromatic constituents exceeds that of the non-aromatic constituents, being oils similar to mineral oils obtained by distillation of high temperature coal tar, of which more than 65% by volume distils at a temperature of up to 250°C (including mixtures of petroleum spirit and benzole), for use as power or heating fuels	Operations of refining and/or one or more specific process(es) <sup>16</sup> <i>or</i> Other operations in which all the materials used are classified within a heading other than that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 50% of the ex-works price of the product

<sup>16</sup> For the special conditions relating to “specific processes”, see Introductory Notes 8.1 and 8.3.

Harmonised System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
2710	Petroleum oils and oils obtained from bituminous materials, other than crude; preparations not elsewhere specified or included, containing by weight 70% or more of petroleum oils or of oils obtained from bituminous materials, these oils being the basic constituents of the preparations; waste oils	Operations of refining and/or one or more specific process(es) <sup>17</sup> <i>or</i> Other operations in which all the materials used are classified within a heading other than that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 50% of the ex-works price of the product
2711	Petroleum gases and other gaseous hydrocarbons	Operations of refining and/or one or more specific process(es) <sup>18</sup> <i>or</i> Other operations in which all the materials used are classified within a heading other than that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 50% of the ex-works price of the product
2712	Petroleum jelly; paraffin wax, microcrystalline petroleum wax, slack wax, ozokerite, lignite wax, peat wax, other mineral waxes, and similar products obtained by synthesis or by other processes, whether or not coloured	Operations of refining and/or one or more specific process(es) <sup>19</sup> <i>or</i> Other operations in which all the materials used are classified within a heading other than that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 50% of the ex-works price of the product

<sup>17</sup> For the special conditions relating to “specific processes”, see Introductory Note 8.2.

<sup>18</sup> For the special conditions relating to “specific processes”, see Introductory Note 8.2.

<sup>19</sup> For the special conditions relating to “specific processes”, see Introductory Note 8.2.



Harmonised System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
2713	Petroleum coke, petroleum bitumen and other residues of petroleum oils or of oils obtained from bituminous materials	Operations of refining and/or one or more specific process(es) <sup>20</sup> <i>or</i> Other operations in which all the materials used are classified within a heading other than that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 50% of the ex-works price of the product
ex Chapter 28	Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, of radioactive elements or of isotopes; except for:	Manufacture from materials of any heading, except that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 20% of the ex-works price of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
ex Chapter 29	Organic chemicals; except for:	Manufacture from materials of any heading, except that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 20% of the ex-works price of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
ex 2905	Metal alcoholates of alcohols of this heading and of ethanol; except for:	Manufacture from materials of any heading, including other materials of heading 2905. However, metal alcoholates of this heading may be used, provided that their total value does not exceed 20% of the ex-works price of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
2905 43; 2905 44; 2905 45	Mannitol; D-glucitol (sorbitol); Glycerol	Manufacture from materials of any sub-heading, except that of the product. However, materials of the same sub-heading as the product may be used, provided that their total value does not exceed 20% of the ex-works price of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product

<sup>20</sup> For the special conditions relating to “specific processes”, see Introductory Notes 8.1 and 8.3.

Harmonised System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
Chapter 30	Pharmaceutical products	Manufacture from materials of any heading
Chapter 31	Fertilisers	<p>Manufacture from materials of any heading, except that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 20% of the ex-works price of the product</p> <p><i>or</i></p> <p>Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product</p>
Chapter 32	Tanning or dyeing extracts; tannins and their derivatives; dyes, pigments and other colouring matter; paints and varnishes; putty and other mastics; inks	<p>Manufacture from materials of any heading, except that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 20% of the ex-works price of the product</p> <p><i>or</i></p> <p>Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product</p>
Chapter 33	Essential oils and resinoids; perfumery, cosmetic or toilet preparations; except for:	<p>Manufacture from materials of any heading, except that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 20% of the ex-works price of the product</p> <p><i>or</i></p> <p>Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product</p>
3302?		
ex Chapter 34	Soap, organic surface-active agents, washing preparations, lubricating preparations, artificial waxes, prepared waxes, polishing or scouring preparations, candles and similar articles, modelling pastes, "dental waxes" and dental preparations with a basis of plaster, except for:	<p>Manufacture from materials of any heading, except that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 20% of the ex-works price of the product</p> <p><i>or</i></p> <p>Manufacture in which the value of all the materials used does not exceed 70% of the ex-works price of the product</p>

Harmonised System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
ex 3404	Artificial waxes and prepared waxes: – With a basis of paraffin, petroleum waxes, waxes obtained from bituminous minerals, slack wax or scale wax	Manufacture from materials of any heading
Chapter 35	Albuminoidal substances; modified starches; glues; enzymes	Manufacture from materials of any heading, except that of the product, in which the value of all the materials used does not exceed 50% of the ex-works price of the product
Chapter 36	Explosives; pyrotechnic products; matches; pyrophoric alloys; certain combustible preparations	Manufacture from materials of any heading, except that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 20% of the ex-works price of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
Chapter 37	Photographic or cinematographic goods	Manufacture from materials of any heading, except that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 20% of the ex-works price of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
ex Chapter 38	Miscellaneous chemical products; except for:	Manufacture from materials of any heading, except that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 20% of the ex-works price of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product

Harmonised System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
3824 60	Sorbitol other than that of sub-heading 2905 44	Manufacture from materials of any sub-heading, except that of the product and except materials of sub-heading 2905 44. However, materials of the same sub-heading as the product may be used, provided that their total value does not exceed 20% of the ex-works price of the product  or  Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
3824 99	Biodiesel	Manufacture in which biodiesel is obtained through transesterification, esterification or hydro-treatment.
	Others	Manufacture from materials of any heading, except that of the product.  or  A chemical reaction, purification, production of standard materials, isomer separation or biotechnological processing is undergone;  or  Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
3826	Biodiesel and mixtures thereof, not containing or containing less than 70% by weight of petroleum oils or oils obtained from bituminous minerals	Manufacture in which biodiesel is obtained through transesterification, esterification or hydro-treatment.
ex Chapter 39	Plastics and articles thereof; except for:	Manufacture from materials of any heading, except that of the product.  <i>or</i>  Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product

Harmonised System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
ex 3907	- Copolymer, made from polycarbonate and acrylonitrile-butadiene-styrene copolymer (ABS)	Manufacture from materials of any heading, except that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 50% of the ex-works price of the product <sup>21</sup> <i>or</i> Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
	– Polyester	Manufacture from materials of any heading, except that of the product <i>or</i> Manufacture from polycarbonate of tetrabromo-(bisphenol A) <i>or</i> Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
ex Chapter 40	Rubber and articles thereof; except for:	Manufacture from materials of any heading, except that of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 70% of the ex-works price of the product
4012	Retreaded or used pneumatic tyres of rubber; solid or cushion tyres, tyre treads and tyre flaps, of rubber:	
	– Retreaded pneumatic, solid or cushion tyres, of rubber	Retreading of used tyres
	– Other	Manufacture from materials of any heading, except those of headings 4011 and 4012 <i>or</i> Manufacture in which the value of all the materials used does not exceed 70% of the ex-works price of the product

<sup>21</sup> In the case of the products composed of materials classified within both headings 3901 to 3906, on the one hand, and within headings 3907 to 3911, on the other hand, this restriction only applies to that group of materials which predominates by weight in the product.

Harmonised System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
ex Chapter 41	Raw hides and skins (other than furskins) and leather; except for:	Manufacture from materials of any heading, except that of the product
4101 to 4103	Raw hides and skins of bovine (including buffalo) or equine animals (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment dressed or further prepared), whether or not dehaired or split; raw skins of sheep or lambs (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment dressed or further prepared), whether or not with wool on or split, other than those excluded by note 1(c) to Chapter 41; other raw hides and skins (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment dressed or further prepared), whether or not dehaired or split, other than those excluded by note 1(b) or 1(c) to Chapter 41	Manufacture from materials of any heading

Harmonised System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
4104 to 4106	Tanned or crust hides and skins, without wool or hair on, whether or not split, but not further prepared	Re-tanning of tanned or pre-tanned hides and skins of sub-headings 4104 11, 4104 19, 4105 10, 4106 21, 4106 31 or 4106 91,  <i>or</i> Manufacture from materials of any heading, except that of the product
4107, 4112, 4113	Leather further prepared after tanning or crusting	Manufacture from materials of any heading, except that of the product. However, materials of sub-headings 4104 41, 4104 49, 4105 30, 4106 22, 4106 32 and 4106 92 may be used only if a re-tanning operation of the tanned or crust hides and skins in the dry state takes place
Chapter 42	Articles of leather; saddlery and harness; travel goods, handbags and similar containers; articles of animal gut (other than silk worm gut)	Manufacture from materials of any heading, except that of the product  <i>or</i> Manufacture in which the value of all the materials used does not exceed 70% of the ex-works price of the product
ex Chapter 43	Furskins and artificial fur; manufactures thereof; except for:	Manufacture from materials of any heading, except that of the product  <i>or</i> Manufacture in which the value of all the materials used does not exceed 70% of the ex-works price of the product
4301	Raw furskins (including heads, tails, paws and other pieces or cuttings, suitable for furrier's use), other than raw hides and skins of heading 4101, 4102 or 4103	Manufacture from materials of any heading
ex 4302	Tanned or dressed furskins, assembled:	
	– Plates, crosses and similar forms	Bleaching or dyeing, in addition to cutting and assembly of non-assembled tanned or dressed furskins
	– Other	Manufacture from non-assembled, tanned or dressed furskins

Harmonised System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
4303	Articles of apparel, clothing accessories and other articles of furskin	Manufacture from non-assembled tanned or dressed furskins of heading 4302
ex Chapter 44	Wood and articles of wood; wood charcoal; except for:	Manufacture from materials of any heading, except that of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 70% of the ex-works price of the product
ex 4407	Wood sawn or chipped lengthwise, sliced or peeled, of a thickness exceeding 6 mm, planed, sanded or end-jointed	Planing, sanding or end-jointing
ex 4408	Sheets for veneering (including those obtained by slicing laminated wood) and for plywood, of a thickness not exceeding 6 mm, spliced, and other wood sawn lengthwise, sliced or peeled of a thickness not exceeding 6 mm, planed, sanded or end-jointed	Splicing, planing, sanding or endjointing
ex 4410 to ex 4413	Beadings and mouldings, including moulded skirting and other moulded boards	Beading or moulding
ex 4415	Packing cases, boxes, crates, drums and similar packings, of wood	Manufacture from boards not cut to size
ex 4418	– Builders' joinery and carpentry of wood	Manufacture from materials of any heading, except that of the product. However, cellular wood panels, shingles and shakes may be used



Harmonised System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
	– Beadings and mouldings	Beading or moulding
ex 4421	Match splints; wooden pegs or pins for footwear	Manufacture from wood of any heading, except drawn wood of heading 4409
Chapter 45	Cork and articles of cork	Manufacture from materials of any heading, except that of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 70% of the ex-works price of the product
Chapter 46	Manufactures of straw, of esparto or of other plaiting materials; basketware and wickerwork	Manufacture from materials of any heading, except that of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 70% of the ex-works price of the product
Chapter 47	Pulp of wood or of other fibrous cellulosic material; recovered (waste and scrap) paper or paperboard	Manufacture from materials of any heading, except that of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 70% of the ex-works price of the product
Chapter 48	Paper and paperboard; articles of paper pulp, of paper or of paperboard	Manufacture from materials of any heading, except that of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 70% of the ex-works price of the product
Chapter 49	Printed books, newspapers, pictures and other products of the printing industry; manuscripts, typescripts and plans	Manufacture from materials of any heading, except that of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 70% of the ex-works price of the product
ex Chapter 50	Silk; except for:	Manufacture from materials of any heading, except that of the product

Harmonised System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
ex 5003	Silk waste (including cocoons unsuitable for reeling, yarn waste and garnetted stock), carded or combed	Carding or combing of silk waste
5004 to ex 5006	Silk yarn and yarn spun from silk waste	Spinning of natural fibres or extrusion of man-made fibres accompanied by spinning or twisting <sup>(22)</sup>
5007	Woven fabrics of silk or of silk waste:	Spinning of natural and/or man-made staple fibres or extrusion of man-made filament yarn or twisting, in each case accompanied by weaving <i>or</i> Weaving accompanied by dyeing <i>or</i> Yarn dyeing accompanied by weaving <i>or</i> Printing accompanied by at least two preparatory or finishing operations (such as scouring, bleaching, mercerising, heat setting, raising, calendering, shrink resistance processing, permanent finishing, decatizing, impregnating, mending and burling), provided that the value of the unprinted fabric used does not exceed 47.5% of the ex-works price of the product <sup>(23)</sup>
ex Chapter 51	Wool, fine or coarse animal hair; horsehair yarn and woven fabric; except for:	Manufacture from materials of any heading, except that of the product
5106 to 5110	Yarn of wool, of fine or coarse animal hair or of horsehair	Spinning of natural fibres or extrusion of man-made fibres accompanied by spinning <sup>(24)</sup>

<sup>22</sup> For special conditions relating to products made of a mixture of textile materials, see Introductory Note 6.

<sup>23</sup> For special conditions relating to products made of a mixture of textile materials, see Introductory Note 6.

<sup>24</sup> For special conditions relating to products made of a mixture of textile materials, see Introductory Note 6.

Harmonised System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
5111 to 5113	Woven fabrics of wool, of fine or coarse animal hair or of horsehair:	Spinning of natural and/or man-made staple fibres or extrusion of man-made filament yarn, in each case accompanied by weaving <i>or</i> Weaving accompanied by dyeing <i>or</i> Yarn dyeing accompanied by weaving <i>or</i> Printing accompanied by at least two preparatory or finishing operations (such as scouring, bleaching, mercerising, heat setting, raising, calendering, shrink resistance processing, permanent finishing, decatising, impregnating, mending and burling), provided that the value of the unprinted fabric used does not exceed 47.5% of the ex-works price of the product <sup>(25)</sup>
ex Chapter 52	Cotton; except for:	Manufacture from materials of any heading, except that of the product
5204 to 5207	Yarn and thread of cotton	Spinning of natural fibres or extrusion of man-made fibres accompanied by spinning <sup>(26)</sup>
5208 to 5212	Woven fabrics of cotton:	Spinning of natural and/or man-made staple fibres or extrusion of man-made filament yarn, in each case accompanied by weaving <i>or</i> Weaving accompanied by dyeing or by coating <i>or</i> Yarn dyeing accompanied by weaving <i>or</i> Printing accompanied by at least two preparatory or finishing operations (such as scouring, bleaching, mercerising, heat setting, raising, calendering, shrink resistance processing, permanent finishing, decatising, impregnating, mending and burling), provided that the value of the unprinted fabric used does not exceed 47.5% of the ex-works price of the product <sup>(27)</sup>

<sup>25</sup> For special conditions relating to products made of a mixture of textile materials, see Introductory Note 6.

<sup>26</sup> For special conditions relating to products made of a mixture of textile materials, see Introductory Note 6.

<sup>27</sup> For special conditions relating to products made of a mixture of textile materials, see Introductory Note 6.

Harmonised System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
ex Chapter 53	Other vegetable textile fibres; paper yarn and woven fabrics of paper yarn; except for:	Manufacture from materials of any heading, except that of the product
5306 to 5308	Yarn of other vegetable textile fibres; paper yarn	Spinning of natural fibres or extrusion of man-made fibres accompanied by spinning <sup>(28)</sup>
5309 to 5311	Woven fabrics of other vegetable textile fibres; woven fabrics of paper yarn:	Spinning of natural and/or man-made staple fibres or extrusion of man-made filament yarn , in each case accompanied by weaving <i>or</i> Weaving accompanied by dyeing or by coating <i>or</i> Yarn dyeing accompanied by weaving <i>or</i> Printing accompanied by at least two preparatory or finishing operations (such as scouring, bleaching, mercerising, heat setting, raising, calendering, shrink resistance processing, permanent finishing, decatizing, impregnating, mending and burling), provided that the value of the unprinted fabric used does not exceed 47.5% of the ex-works price of the product <sup>(29)</sup>
5401 to 5406	Yarn, monofilament and thread of man-made filaments	Extrusion of man-made fibres accompanied by spinning OR spinning of natural fibres <sup>(30)</sup>

<sup>28</sup> For special conditions relating to products made of a mixture of textile materials, see Introductory Note 6.

<sup>29</sup> For special conditions relating to products made of a mixture of textile materials, see Introductory Note 6.

<sup>30</sup> For special conditions relating to products made of a mixture of textile materials, see Introductory Note 6.

Harmonised System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
5407 and 5408	Woven fabrics of man-made filament yarn:	Spinning of natural and/or man-made staple fibres or extrusion of man-made filament yarn, in each case accompanied by weaving or Weaving accompanied by dyeing or by coating or Twisting or texturing accompanied by weaving <u>provided that</u> the value of the non-twisted/non-textured yarns used does not exceed 47.5% of the ex-works price of the product or Printing accompanied by at least two preparatory or finishing operations (such as scouring, bleaching, mercerising, heat setting, raising, calendering, shrink resistance processing, permanent finishing, decatizing, impregnating, mending and burling), provided that the value of the unprinted fabric used does not exceed 47.5% of the ex-works price of the product <sup>(31)</sup>
5501 to 5507	Man-made staple fibres	Extrusion of man-made fibres
5508 to 5511	Yarn and sewing thread of man-made staple fibres	Spinning of natural fibres or extrusion of man-made fibres accompanied by spinning <sup>(32)</sup>
5512 to 5516	Woven fabrics of man-made staple fibres:	Spinning of natural and/or man-made staple fibres or extrusion of man-made filament yarn, in each case accompanied by weaving or Weaving accompanied by dyeing or by coating or Yarn dyeing accompanied by weaving or Printing accompanied by at least two preparatory or finishing operations (such as scouring, bleaching, mercerising, heat setting, raising, calendering, shrink resistance processing, permanent finishing, decatizing, impregnating, mending and burling), provided that the value of the unprinted fabric used does not exceed 47.5% of the ex-works price of the product <sup>(33)</sup>

<sup>31</sup> For special conditions relating to products made of a mixture of textile materials, see Introductory Note 6.

<sup>32</sup> For special conditions relating to products made of a mixture of textile materials, see Introductory Note 6.

<sup>33</sup> For special conditions relating to products made of a mixture of textile materials, see Introductory Note 6.

Harmonised System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
Ex Chapter 56	Wadding, felt and non-wovens; special yarns; twine, cordage, ropes and cables and articles thereof; except for:	Extrusion of man-made fibres accompanied by spinning or spinning of natural fibres or Flocking accompanied by dyeing or printing <sup>(34)</sup>
5602	Felt, whether or not impregnated, coated, covered or laminated:	
	- Needleloom felt	Extrusion of man-made fibres accompanied by fabric formation, However: – polypropylene filament of heading 5402, – polypropylene fibres of heading 5503 or 5506, or – polypropylene filament tow of heading 5501, of which the denomination in all cases of a single filament or fibre is less than 9 decitex, may be used, provided that their total value does not exceed 40% of the ex-works price of the product or Fabric formation alone in the case of felt made from natural fibres <sup>(35)</sup>
	- Other	Extrusion of man-made fibres accompanied by fabric formation, or Fabric formation alone in the case of other felt made from natural fibres <sup>(36)</sup>
5603	Nonwovens, whether or not impregnated, coated, covered or laminated	Extrusion of man-made fibres, or use of natural fibres, accompanied by nonwoven techniques including needle punching

<sup>34</sup> For special conditions relating to products made of a mixture of textile materials, see Introductory Note 6.

<sup>35</sup> For special conditions relating to products made of a mixture of textile materials, see Introductory Note 6.

<sup>36</sup> For special conditions relating to products made of a mixture of textile materials, see Introductory Note 6.

Harmonised System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
5604	Rubber thread and cord, textile covered; textile yarn, and strip and the like of heading 5404 or 5405, impregnated, coated, covered or sheathed with rubber or plastics:	
	- Rubber thread and cord, textile covered	Manufacture from rubber thread or cord, not textile covered
	- Other	Extrusion of man-made fibres accompanied by spinning or spinning of natural fibres <sup>(37)</sup>
5605	Metallised yarn, whether or not gimped, being textile yarn, or strip or the like of heading 5404 or 5405, combined with metal in the form of thread, strip or powder or covered with metal	Extrusion of man-made fibres accompanied by spinning or spinning of natural and/or man-made staple fibres <sup>(38)</sup>
5606	Gimped yarn, and strip and the like of heading 5404 or 5405, gimped (other than those of heading 5605 and gimped horsehair yarn); chenille yarn (including flock chenille yarn); loop wale-yarn	Extrusion of man-made fibres accompanied by spinning or spinning of natural and/or man-made staple fibres or Spinning accompanied with flocking or Flocking accompanied by dyeing <sup>(39)</sup>

<sup>37</sup> For special conditions relating to products made of a mixture of textile materials, see Introductory Note 6.

<sup>38</sup> For special conditions relating to products made of a mixture of textile materials, see Introductory Note 6.

<sup>39</sup> For special conditions relating to products made of a mixture of textile materials, see Introductory Note 6.

Harmonised System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
Chapter 57	Carpets and other textile floor coverings:	<p>Spinning of natural and/or man-made staple fibres or extrusion of man-made filament yarn, in each case accompanied by weaving</p> <p>or</p> <p>Manufacture from coir yarn or sisal yarn or jute yarn</p> <p>or</p> <p>Flocking accompanied by dyeing or by printing</p> <p>Or</p> <p>Tufting accompanied by dyeing or by printing</p> <p>Extrusion of man-made fibres accompanied by non-woven techniques including needle punching<sup>40</sup></p> <p>However:</p> <ul style="list-style-type: none"> <li>– polypropylene filament of heading 5402,</li> <li>– polypropylene fibres of heading 5503 or 5506, or</li> <li>– polypropylene filament tow of heading 5501,</li> </ul> <p>of which the denomination in all cases of a single filament or fibre is less than 9 decitex, may be used, provided that their total value does not exceed 40% of the ex-works price of the product</p> <p>Jute fabric may be used as a backing</p>

<sup>40</sup> For special conditions relating to products made of a mixture of textile materials, see Introductory Note 6.



Harmonised System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
Ex Chapter 58	Special woven fabrics; tufted textile fabrics; lace; tapestries; trimmings; embroidery; except for:	Spinning of natural and/or man-made staple fibres or extrusion of man-made filament yarn, in each case accompanied by weaving or Weaving accompanied by dyeing or flocking or coating or Flocking accompanied by dyeing or by printing or Yarn dyeing accompanied by weaving or Printing accompanied by at least two preparatory or finishing operations (such as scouring, bleaching, mercerising, heat setting, raising, calendering, shrink resistance processing, permanent finishing, decatizing, impregnating, mending and burling), provided that the value of the unprinted fabric used does not exceed 47.5% of the ex-works price of the product <sup>(41)</sup>
5805	Hand-woven tapestries of the types Gobelins, Flanders, Aubusson, Beauvais and the like, and needle-worked tapestries (for example, petit point, cross stitch), whether or not made up	Manufacture from materials of any heading, except that of the product
5810	Embroidery in the piece, in strips or in motifs	Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product

<sup>41</sup> For special conditions relating to products made of a mixture of textile materials, see Introductory Note 6.

Harmonised System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
5901	Textile fabrics coated with gum or amylaceous substances, of a kind used for the outer covers of books or the like; tracing cloth; prepared painting canvas; buckram and similar stiffened textile fabrics of a kind used for hat foundations	Weaving accompanied by dyeing or by flocking or by coating or Flocking accompanied by dyeing or printing
5902	Tyre cord fabric of high tenacity yarn of nylon or other polyamides, polyesters or viscose rayon:	
	- Containing not more than 90% by weight of textile materials	Weaving
	- Other	Extrusion of man-made fibres accompanied by weaving
5903	Textile fabrics impregnated, coated, covered or laminated with plastics, other than those of heading 5902	Weaving accompanied by dyeing or by coating or Printing accompanied by at least two preparatory or finishing operations (such as scouring, bleaching, mercerising, heat setting, raising, calendering, shrink resistance processing, permanent finishing, decatizing, impregnating, mending and burling), provided that the value of the unprinted fabric used does not exceed 47.5% of the ex-works price of the product
5904	Linoleum, whether or not cut to shape; floor coverings consisting of a coating or covering applied on a textile backing, whether or not cut to shape	Weaving accompanied by dyeing or by coating <sup>(42)</sup>

<sup>42</sup> For special conditions relating to products made of a mixture of textile materials, see Introductory Note 6.

Harmonised System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
5905	Textile wall coverings:	
	- Impregnated, coated, covered or laminated with rubber, plastics or other materials	Weaving accompanied by dyeing or by coating
	- Other	Spinning of natural and/or man-made staple fibres or extrusion of man-made filament yarn, in each case accompanied by weaving or Weaving accompanied by dyeing or by coating or Printing accompanied by at least two preparatory or finishing operations (such as scouring, bleaching, mercerising, heat setting, raising, calendering, shrink resistance processing, permanent finishing, decatizing, impregnating, mending and burling), provided that the value of the unprinted fabric used does not exceed 47.5% of the ex-works price of the product <sup>(43)</sup> :
5906	Rubberised textile fabrics, other than those of heading 5902:	
	- Knitted or crocheted fabrics	Spinning of natural and/or man-made staple fibres or extrusion of man-made filament yarn, in each case accompanied by knitting or Knitting accompanied by dyeing or by coating or Dyeing of yarn of natural fibres accompanied by knitting <sup>(44)</sup> -
	- Other fabrics made of synthetic filament yarn, containing more than 90% by weight of textile materials	Extrusion of man-made fibres accompanied by weaving

<sup>43</sup> For special conditions relating to products made of a mixture of textile materials, see Introductory Note 6.

<sup>44</sup> For special conditions relating to products made of a mixture of textile materials, see Introductory Note 6.

Harmonised System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
	- Other	Weaving accompanied by dyeing or by coating or Dyeing of yarn of natural fibres accompanied by weaving
5907	Textile fabrics otherwise impregnated, coated or covered; painted canvas being theatrical scenery, studio back-cloths or the like	Weaving accompanied by dyeing or by flocking or by coating or Flocking accompanied by dyeing or by printing or Printing accompanied by at least two preparatory or finishing operations (such as scouring, bleaching, mercerising, heat setting, raising, calendering, shrink resistance processing, permanent finishing, decatising, impregnating, mending and burling), provided that the value of the unprinted fabric used does not exceed 47.5% of the ex-works price of the product
5908	Textile wicks, woven, plaited or knitted, for lamps, stoves, lighters, candles or the like; incandescent gas mantles and tubular knitted gas mantle fabric therefor, whether or not impregnated:	
	- Incandescent gas mantles, impregnated	Manufacture from tubular knitted gas-mantle fabric
	- Other	Manufacture from materials of any heading, except that of the product
5909 to 5911	Textile articles of a kind suitable for industrial use:	
	- Polishing discs or rings other than of felt of heading 5911	Weaving

Harmonised System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
	- Woven fabrics, of a kind commonly used in papermaking or other technical uses, felted or not, whether or not impregnated or coated, tubular or endless with single or multiple warp and/or weft, or flat woven with multiple warp and/or weft of heading 5911	Extrusion of man-made fibres or Spinning of natural and/or of man-made staple fibres, in each case accompanied by weaving <i>or</i> Weaving accompanied by dyeing or coating Only the following fibres may be used: — — coir yarn — — yarn of polytetrafluoroethylene <sup>45</sup> , — — yarn, multiple, of polyamide, coated impregnated or covered with a phenolic resin, — — yarn of synthetic textile fibres of aromatic polyamides, obtained by polycondensation of <i>m</i> -phenylenediamine and isophthalic acid, — — monofil of polytetrafluoroethylene <sup>46</sup> , — — yarn of synthetic textile fibres of poly( <i>p</i> -phenylene terephthalamide), — — glass fibre yarn, coated with phenol resin and gimped with acrylic yarn <sup>47</sup> , — — copolyester monofilaments of a polyester and a resin of terephthalic acid and 1,4-cyclohexanediethanol and isophthalic acid
	- Other	Extrusion of man-made filament yarn OR spinning of natural or man-made staple fibres, accompanied by weaving ( <sup>48</sup> ) <i>or</i> Weaving accompanied by dyeing or coating

<sup>45</sup> The use of this material is restricted to the manufacture of woven fabrics of a kind used in paper-making machinery.

<sup>46</sup> The use of this material is restricted to the manufacture of woven fabrics of a kind used in paper-making machinery.

<sup>47</sup> The use of this material is restricted to the manufacture of woven fabrics of a kind used in paper-making machinery.

<sup>48</sup> For special conditions relating to products made of a mixture of textile materials, see Introductory Note 6.

Harmonised System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
Chapter 60	Knitted or crocheted fabrics	Spinning of natural and/or man-made staple fibres or extrusion of man-made filament yarn, in each case accompanied by knitting or Knitting accompanied by dyeing or by flocking or by coating or Flocking accompanied by dyeing or by printing or Dyeing of yarn of natural fibres accompanied by knitting or Twisting or texturing accompanied by knitting provided that the value of the non-twisted/non-textured yarns used does not exceed 47.5% of the ex-works price of the product
Chapter 61	Articles of apparel and clothing accessories, knitted or crocheted:	
	- Obtained by sewing together or otherwise assembling, two or more pieces of knitted or crocheted fabric which have been either cut to form or obtained directly to form	Knitting and making-up (including cutting) <sup>(49)</sup> <sup>(50)</sup>
	- Other	Spinning of natural and/or man-made staple fibres or extrusion of man-made filament yarn, in each case accompanied by knitting (knitted to shape products) or Dyeing of yarn of natural fibres accompanied by knitting (knitted to shape products) <sup>(51)</sup>

<sup>49</sup> For special conditions relating to products made of a mixture of textile materials, see Introductory Note 6.

<sup>50</sup> See Introductory Note 7.

<sup>51</sup> For special conditions relating to products made of a mixture of textile materials, see Introductory Note 6.

Harmonised System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
Ex Chapter 62	Articles of apparel and clothing accessories, not knitted or crocheted; except for:	Weaving accompanied by making-up (including cutting) or Making-up preceded by printing accompanied by at least two preparatory or finishing operations (such as scouring, bleaching, mercerising, heat setting, raising, calendering, shrink resistance processing, permanent finishing, decatizing, impregnating, mending and burling), provided that the value of the unprinted fabric used does not exceed 47.5% of the ex-works price of the product <sup>(52)</sup> <sup>(53)</sup>
ex 6202, ex 6204, ex 6206, ex 6209 and ex 6211	Women's, girls' and babies' clothing and clothing accessories for babies, embroidered	Weaving accompanied by making-up (including cutting) or Manufacture from unembroidered fabric, provided that the value of the unembroidered fabric used does not exceed 40% of the ex-works price of the product <sup>(54)</sup>
ex 6210 and ex 6216	Fire-resistant equipment of fabric covered with foil of aluminised polyester	Weaving accompanied by making-up (including cutting) or Coating provided that the value of the uncoated fabric used does not exceed 40% of the ex-works price of the product accompanied by making-up (including cutting) <sup>(55)</sup>
ex 6212	Brassieres, girdles, corsets, braces, suspenders, garters and similar articles and parts thereof, knitted or crocheted	
	- Obtained by sewing together or otherwise assembling, two or more pieces of knitted or crocheted fabric which have been either cut to form or obtained directly to form	Knitting and making-up (including cutting) <sup>(56)</sup> <sup>(57)</sup>

<sup>52</sup> For special conditions relating to products made of a mixture of textile materials, see Introductory Note 6.

<sup>53</sup> See Introductory Note 7.

<sup>54</sup> See Introductory Note 7.

<sup>55</sup> See Introductory Note 7.

<sup>56</sup> For special conditions relating to products made of a mixture of textile materials, see Introductory Note 6.

<sup>57</sup> See Introductory Note 7.

Harmonised System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
	- Other	Spinning of natural and/or man-made staple fibres or extrusion of man-made filament yarn, in each case accompanied by knitting (knitted to shape products)  <i>or</i>  Dyeing of yarn of natural fibres accompanied by knitting (knitted to shape products) <sup>(58)</sup>
6213 and 6214	Handkerchiefs, shawls, scarves, mufflers, mantillas, veils and the like:	
	- Embroidered	Weaving accompanied by making-up (including cutting)  <i>or</i>  Manufacture from unembroidered fabric, provided that the value of the unembroidered fabric used does not exceed 40% of the ex-works price of the product <sup>(59)</sup>  <i>or</i>  Making-up preceded by printing accompanied by at least two preparatory or finishing operations (such as scouring, bleaching, mercerising, heat setting, raising, calendering, shrink resistance processing, permanent finishing, decatizing, impregnating, mending and burling), provided that the value of the unprinted fabric used does not exceed 47.5% of the ex-works price of the product <sup>(60)</sup> <sup>(61)</sup>
	- Other	Weaving accompanied by making-up (including cutting)  <i>or</i>  Making-up followed by printing accompanied by at least two preparatory finishing operations (such as scouring, bleaching, mercerising, heat setting, raising, calendering, shrink resistance processing, permanent finishing, decatizing, impregnating, mending and burling), provided that the value of the unprinted fabric used does not exceed 47.5% of the ex-works price of the product <sup>(62)</sup> <sup>(63)</sup>

<sup>58</sup> For special conditions relating to products made of a mixture of textile materials, see Introductory Note 6.

<sup>59</sup> See Introductory Note 7.

<sup>60</sup> For special conditions relating to products made of a mixture of textile materials, see Introductory Note 6.

<sup>61</sup> See Introductory Note 7.

<sup>62</sup> For special conditions relating to products made of a mixture of textile materials, see Introductory Note 6.

<sup>63</sup> See Introductory Note 7.



Harmonised System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
6217	Other made up clothing accessories; parts of garments or of clothing accessories, other than those of heading 6212:	
	- Embroidered	Weaving accompanied by making-up (including cutting) or Manufacture from unembroidered fabric, provided that the value of the unembroidered fabric used does not exceed 40% of the ex-works price of the product <sup>(64)</sup>
	- Fire-resistant equipment of fabric covered with foil of aluminised polyester	Weaving accompanied by making-up (including cutting) or Coating provided that the value of the uncoated fabric used does not exceed 40% of the ex-works price of the product accompanied by making-up (including cutting) <sup>(65)</sup>
	- Interlinings for collars and cuffs, cut out	Manufacture from materials of any heading, except that of the product, and in which the value of all the materials used does not exceed 40% of the ex-works price of the product
	- Other	Weaving accompanied by making-up (including cutting) <sup>(66)</sup>
Ex Chapter 63	Other made-up textile articles; sets; worn clothing and worn textile articles; rags; except for:	Manufacture from materials of any heading, except that of the product
6301 to 6304	Blankets, travelling rugs, bed linen etc.; curtains etc.; other furnishing articles:	
	- Of felt, of nonwovens	Extrusion of man-made fibres or use of natural fibres in each case accompanied by non-woven process including needle punching and making-up (including cutting) <sup>(67)</sup>

<sup>64</sup> See Introductory Note 7.

<sup>65</sup> See Introductory Note 7.

<sup>66</sup> See Introductory Note 7.

<sup>67</sup> For special conditions relating to products made of a mixture of textile materials, see Introductory Note 6.

Harmonised System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
	- Other:	
	-- Embroidered	Weaving or knitting accompanied by making-up (including cutting) (reference to tolerance to be added) <sup>68</sup> or Manufacture from unembroidered fabric, provided that the value of the unembroidered fabric used does not exceed 40% of the ex-works price of the product ( <sup>69</sup> )
	-- Other	Weaving or knitting accompanied by making-up (including cutting)
6305	Sacks and bags, of a kind used for the packing of goods	Extrusion of man-made fibres or spinning of natural and/or man-made staple fibres accompanied by weaving or knitting and making-up (including cutting) ( <sup>70</sup> )
6306	Tarpaulins, awnings and sunblinds; tents; sails for boats, sailboards or landcraft; camping goods:	
	- Of nonwovens	Extrusion of man-made fibres or natural fibres in each case accompanied by any non-woven techniques including needle punching
	- Other	Weaving accompanied by making-up (including cutting) ( <sup>71</sup> )( <sup>72</sup> ) or Coating provided that the value of the uncoated fabric used does not exceed 40% of the ex-works price of the product accompanied by making-up (including cutting)
6307	Other made-up articles, including dress patterns	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product

<sup>68</sup> See Introductory Note 7.

<sup>69</sup> See Introductory Note 7.

<sup>70</sup> For special conditions relating to products made of a mixture of textile materials, see Introductory Note 6.

<sup>71</sup> For special conditions relating to products made of a mixture of textile materials, see Introductory Note 6.

<sup>72</sup> See Introductory Note 7.

Harmonised System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
6308	Sets consisting of woven fabric and yarn, whether or not with accessories, for making up into rugs, tapestries, embroidered table cloths or serviettes, or similar textile articles, put up in packings for retail sale	Each item in the set must satisfy the rule which would apply to it if it were not included in the set. However, non-originating articles may be incorporated, provided that their total value does not exceed 15% of the ex-works price of the set
Ex Chapter 64	Footwear, gaiters and the like; parts of such articles; except for:	Manufacture from materials of any heading, except from assemblies of uppers affixed to inner soles or to other sole components of heading 6406
6406	Parts of footwear (including uppers whether or not attached to soles other than outer soles); removable in-soles, heel cushions and similar articles; gaiters, leggings and similar articles, and parts thereof	Manufacture from materials of any heading, except that of the product
Chapter 65	Headgear and parts thereof	Manufacture from materials of any heading, except that of the product
Chapter 66	Umbrellas, sun umbrellas, walking-sticks, seat-sticks, whips, riding-crops, and parts thereof:	Manufacture from materials of any heading, except that of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 70% of the ex-works price of the product
Chapter 67	Prepared feathers and down and articles made of feathers or of down; artificial flowers; articles of human hair	Manufacture from materials of any heading, except that of the product

Harmonised System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
ex Chapter 68	Articles of stone, plaster, cement, asbestos, mica or similar materials, except for:	Manufacture from materials of any heading, except that of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 70% of the ex-works price of the product
ex 6803	Articles of slate or of agglomerated slate	Manufacture from worked slate
ex 6812	Articles of asbestos; articles of mixtures with a basis of asbestos or of mixtures with a basis of asbestos and magnesium carbonate	Manufacture from materials of any heading
ex 6814	Articles of mica, including agglomerated or reconstituted mica, on a support of paper, paperboard or other materials	Manufacture from worked mica (including agglomerated or reconstituted mica)
Chapter 69	Ceramic products	Manufacture from materials of any heading, except that of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
ex Chapter 70	Glass and glassware, except for:	Manufacture from materials of any heading, except that of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 70% of the ex-works price of the product
7006	Glass of heading 7003, 7004 or 7005, bent, edge-worked, engraved, drilled,	

Harmonised System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
	– Glass-plate substrates, coated with a dielectric thin film, and of a semiconductor grade in accordance with SEMII-standards <sup>73</sup>	Manufacture from non-coated glass-plate substrate of heading 7006
	– Other	Manufacture from materials of heading 7001
7010	Carboys, bottles, flasks, jars, pots, phials, ampoules and other containers, of glass, of a kind used for the conveyance or packing of goods; preserving jars of glass; stoppers, lids and other closures, of glass	Manufacture from materials of any heading, except that of the product <i>or</i> Cutting of glassware, provided that the total value of the uncut glassware used does not exceed 50% of the ex-works price of the product
7013	Glassware of a kind used for table, kitchen, toilet, office, indoor decoration or similar purposes (other than that of heading 7010 or 7018)	Manufacture from materials of any heading, except that of the product <i>or</i> Cutting of glassware, provided that the total value of the uncut glassware used does not exceed 50% of the ex-works price of the product <i>or</i> Hand-decoration (except silk-screen printing) of hand-blown glassware, provided that the total value of the hand-blown glassware used does not exceed 50% of the ex-works price of the product
ex Chapter 71	Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad with precious metal, and articles thereof; imitation jewellery; coin, except for:	Manufacture from materials of any heading, except that of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 70% of the ex-works price of the product

<sup>73</sup> SEMII – Semiconductor Equipment and Materials Institute Incorporated

Harmonised System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
7106, 7108 and 7110	Precious metals:	
	- Unwrought	Manufacture from materials of any heading, except those of headings 7106, 7108 and 7110 or Electrolytic, thermal or chemical separation of precious metals of heading 7106, 7108 or 7110 or Fusion and/or alloying of precious metals of heading 7106, 7108 or 7110 with each other or with base metals
	- Semi-manufactured or in powder form	Manufacture from unwrought precious metals
ex 7107, ex 7109 and ex 7111	Metals clad with precious metals, semi-manufactured	Manufacture from metals clad with precious metals, unwrought
7115	Other articles of precious metal or of metal clad with precious metal	Manufacture from materials of any heading, except that of the product
7117	Imitation jewellery	Manufacture from materials of any heading, except that of the product <i>or</i> Manufacture from base metal parts, not plated or covered with precious metals, provided that the value of all the materials used does not exceed 50% of the ex-works price of the product
ex Chapter 72	Iron and steel; except for:	Manufacture from materials of any heading, except that of the product
7207	Semi-finished products of iron or non-alloy steel	Manufacture from materials of heading 7201, 7202, 7203, 7204, 7205 or 7206
7208 to 7216	Flat-rolled products, bars and rods, angles, shapes and sections of iron or non-alloy steel	Manufacture from ingots or other primary forms or semi-finished materials of heading 7206 or 7207
7217	Wire of iron or non-alloy steel	Manufacture from semi-finished materials of heading 7207

<b>Harmonised System heading</b>	<b>Description of product</b>	<b>Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>
7218 91 and 7218 99	Semi-finished products	Manufacture from materials of heading 7201, 7202, 7203, 7204, 7205 or sub-heading 7218 10
7219 to 7222	Flat-rolled products, bars and rods, angles, shapes and sections of stainless steel	Manufacture from ingots or other primary forms or semi-finished materials of heading 7218
7223	Wire of stainless steel	Manufacture from semi-finished materials of heading 7218
7224 90	Semi-finished products	Manufacture from materials of heading 7201, 7202, 7203, 7204, 7205 or sub-heading 7224 10
7225 to 7228	Flat-rolled products, hot-rolled bars and rods, in irregularly wound coils; angles, shapes and sections, of other alloy steel; hollow drill bars and rods, of alloy or non-alloy steel	Manufacture from ingots or other primary forms or semi-finished materials of heading 7206, 7207, 7218 or 7224
7229	Wire of other alloy steel	Manufacture from semi-finished materials of heading 7224
ex Chapter 73	Articles of iron or steel; except for:	Manufacture from materials of any heading, except that of the product
ex 7301	Sheet piling	Manufacture from materials of heading 7207
7302	Railway or tramway track construction material of iron or steel, the following: rails, check-rails and rack rails, switch blades, crossing frogs, point rods and other crossing pieces, sleepers (cross-ties), fish-plates, chairs, chair wedges, sole plates (base plates), rail clips, bedplates, ties and other material specialised for jointing or fixing rails	Manufacture from materials of heading 7206

<b>Harmonised System heading</b>	<b>Description of product</b>	<b>Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>
7304, 7305 and 7306	Tubes, pipes and hollow profiles, of iron (other than cast iron) or steel	Manufacture from materials of heading 7206, 7207, 7208, 7209, 7210, 7211, 7212, 7218, 7219, 7220 or 7224
ex 7307	Tube or pipe fittings of stainless steel	Turning, drilling, reaming, threading, deburring and sandblasting of forged blanks, provided that the total value of the forged blanks used does not exceed 35 % of the ex-works price of the product
7308	Structures (excluding prefabricated buildings of heading 9406) and parts of structures (for example, bridges and bridge-sections, lock-gates, towers, lattice masts, roofs, roofing frameworks, doors and windows and their frames and thresholds for doors, shutters, balustrades, pillars and columns), of iron or steel; plates, rods, angles, shapes, sections, tubes and the like, prepared for use in structures, of iron or steel	Manufacture from materials of any heading, except that of the product. However, welded angles, shapes and sections of heading 7301 may not be used
ex 7315	Skid chain	Manufacture in which the value of all the materials of heading 7315 used does not exceed 50% of the ex-works price of the product
ex Chapter 74	Copper and articles thereof; except for:	Manufacture from materials of any heading, except that of the product
7403	Refined copper and copper alloys, unwrought	Manufacture from materials of any heading
Chapter 75	Nickel and articles thereof	Manufacture from materials of any heading, except that of the product
ex Chapter 76	Aluminium and articles thereof; except for:	Manufacture from materials of any heading, except that of the product



Harmonised System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
7601	Unwrought aluminium	Manufacture from materials of any heading
7607	Aluminium foil (whether or not printed or backed with paper, paperboard, plastics or similar backing materials) of a thickness (excluding any backing) not exceeding 0,2 mm	Manufacture from materials of any heading, except that of the product and heading 7606
Chapter 77	Reserved for possible future use in the Harmonised System	
ex Chapter 78	Lead and articles thereof, except for:	Manufacture from materials of any heading, except that of the product
7801	Unwrought lead:	
	- Refined lead	Manufacture from materials of any heading
	- Other	Manufacture from materials of any heading, except that of the product. However, waste and scrap of heading 7802 may not be used
Chapter 79	Zinc and articles thereof:	Manufacture from materials of any heading, except that of the product
Chapter 80	Tin and articles thereof	Manufacture from materials of any heading, except that of the product
Chapter 81	Other base metals; cermets; articles thereof	Manufacture from materials of any heading
ex Chapter 82	Tools, implements, cutlery, spoons and forks, of base metal; parts thereof of base metal; except for:	Manufacture from materials of any heading, except that of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 70% of the ex-works price of the product
8206	Tools of two or more of the headings 8202 to 8205, put up in sets for retail sale	Manufacture from materials of any heading, except those of headings 8202 to 8205. However, tools of headings 8202 to 8205 may be incorporated into the set, provided that their total value does not exceed 15% of the ex-works price of the set

Harmonised System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
8211	Knives with cutting blades, serrated or not (including pruning knives), other than knives of heading 8208 , and blades therefor	Manufacture from materials of any heading, except that of the product. However, knife blades and handles of base metal may be used
8214	Other articles of cutlery (for example; hair clippers, butchers' or kitchen cleavers, choppers and mincing knives, paper knives); manicure or pedicure sets and instruments (including nail files)	Manufacture from materials of any heading, except that of the product. However, handles of base metal may be used
8215	Spoons, forks, ladles, skimmers, cake-servers, fish-knives, butter-knives, sugar tongs and similar kitchen or tableware	Manufacture from materials of any heading, except that of the product. However, handles of base metal may be used
ex Chapter 83	Miscellaneous articles of base metal; except for:	Manufacture from materials of any heading, except that of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 70% of the ex-works price of the product
ex 8302	Other mountings, fittings and similar articles suitable for buildings, and automatic door closers	Manufacture from materials of any heading, except that of the product. However, other materials of heading 8302 may be used, provided that their total value does not exceed 20% of the ex-works price of the product
ex 8306	Statuettes and other ornaments, of base metal	Manufacture from materials of any heading, except that of the product. However, other materials of heading 8306 may be used, provided that their total value does not exceed 30% of the ex-works price of the product

Harmonised System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
ex Chapter 84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof; except for:	Manufacture from materials of any heading, except that of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 70% of the ex-works price of the product
8401	Nuclear reactors; fuel elements (cartridges), non-irradiated, for nuclear reactors; machinery and apparatus for isotopic separation	Manufacture in which the value of all the materials used does not exceed 70% of the ex-works price of the product
8407	Spark-ignition reciprocating or rotary internal combustion piston engines	Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
8408	Compression-ignition internal combustion piston engines (diesel or semi-diesel engines)	Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
8427	Fork-lift trucks; other works trucks fitted with lifting or handling equipment	Manufacture in which the value of all the materials used does not exceed 70% of the ex-works price of the product
8482	Ball or roller bearings	Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
ex Chapter 85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles; except for:	Manufacture from materials of any heading, except that of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 70% of the ex-works price of the product

Harmonised System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
8501, 8502	Electric motors and generators; Electric generating sets and rotary converters	Manufacture from materials of any heading, except that of the product and of heading 8503 <i>or</i> Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
8513	Portable electric lamps designed to function by their own source of energy (for example, dry batteries, accumulators, magnetos), other than lighting equipment of heading 8512	Manufacture from materials of any heading, except that of the product. <i>or</i> Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
8519	Sound recording and sound reproducing apparatus	Manufacture from materials of any heading, except that of the product and of heading 8522 <i>or</i> Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
8521	Video recording or reproducing apparatus, whether or not incorporating a video tuner	Manufacture from materials of any heading, except that of the product and of heading 8522 <i>or</i> Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
8523	Prepared unrecorded media for sound recording or similar recording of other phenomena, other than products of Chapter 37	Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product

Harmonised System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
8525	Transmission apparatus for radio-broadcasting or television, whether or not incorporating reception apparatus or sound recording or reproducing apparatus; television cameras, digital cameras and other video camera recorders	Manufacture from materials of any heading, except that of the product and of heading 8529 <i>or</i> Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
8526	Radar apparatus, radio navigational aid apparatus and radio remote control apparatus	Manufacture from materials of any heading, except that of the product and of heading 8529 <i>or</i> Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
8527	Reception apparatus for radio-broadcasting, whether or not combined, in the same housing, with sound recording or reproducing apparatus or a clock	Manufacture from materials of any heading, except that of the product and of heading 8529 <i>or</i> Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
8528	Monitors and projectors, not incorporating television reception apparatus; reception apparatus for television, whether or not incorporating radio-broadcast receivers or sound or video recording or reproducing apparatus	Manufacture from materials of any heading, except that of the product and of heading 8529 <i>or</i> Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product

Harmonised System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
8535 to 8537	Electrical apparatus for switching or protecting electrical circuits, or for making connections to or in electrical circuits; connectors for optical fibres, optical fibre bundles or cables; boards, panels, consoles, desks, cabinets and other bases, for electric control or the distribution of electricity	<p>Manufacture from materials of any heading, except that of the product and of heading 8538</p> <p><i>or</i></p> <p>Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product</p>
8540 11 and 8540 12	Cathode ray television picture tubes, including video monitor cathode ray tubes	Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
8542 31 to 8542 33 and 8542 39	Monolithic integrated circuits	<p>Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product</p> <p><i>or</i></p> <p>The operation of diffusion, in which integrated circuits are formed on a semi-conductor substrate by the selective introduction of an appropriate dopant, whether or not assembled and/or tested in a non-party</p>

<b>Harmonised System heading</b>	<b>Description of product</b>	<b>Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>
8544	Insulated (including enamelled or anodised) wire, cable (including coaxial cable) and other insulated electric conductors, whether or not fitted with connectors; optical fibre cables, made up of individually sheathed fibres, whether or not assembled with electric conductors or fitted with connectors	Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
8545	Carbon electrodes, carbon brushes, lamp carbons, battery carbons and other articles of graphite or other carbon, with or without metal, of a kind used for electrical purposes	Manufacture in which the value of all the materials used does not exceed 70% of the ex-works price of the product
8546	Electrical insulators of any material	Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product

Harmonised System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
8547	Insulating fittings for electrical machines, appliances or equipment, being fittings wholly of insulating materials apart from any minor components of metal (for example, threaded sockets) incorporated during moulding solely for purposes of assembly, other than insulators of heading 8546; electrical conduit tubing and joints therefore, of base metal lined with insulating material	Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
8548	Waste and scrap of primary cells, primary batteries and electric accumulators; spent primary cells, spent primary batteries and spent electric accumulators; electrical parts of machinery or apparatus, not specified or included elsewhere in this Chapter	Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product



Harmonised System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
Chapter 86	Railway or tramway locomotives, rolling-stock and parts thereof; railway or tramway track fixtures and fittings and parts thereof; mechanical (including electro-mechanical) traffic signalling equipment of all kinds:	Manufacture in which the value of all the materials used does not exceed 70% of the ex-works price of the product
ex Chapter 87	Vehicles other than railway or tramway rolling-stock, and parts and accessories thereof, except for:	Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
8711	Motorcycles (including mopeds) and cycles fitted with an auxiliary motor, with or without side-cars; side-cars	Manufacture from materials of any heading, except that of the product or Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
ex Chapter 88	Aircraft, spacecraft, and parts thereof, except for:	Manufacture from materials of any heading, except that of the product or Manufacture in which the value of all the materials used does not exceed 70% of the ex-works price of the product
ex 8804	Rotochutes	Manufacture from materials of any heading, including other materials of heading 8804 or Manufacture in which the value of all the materials used does not exceed 70% of the ex-works price of the product
Chapter 89	Ships, boats and floating structures	Manufacture from materials of any heading, except that of the product or Manufacture in which the value of all the materials used does not exceed 70% of the ex-works price of the product

Harmonised System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
ex Chapter 90	Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical instruments and apparatus; parts and accessories thereof, except for:	Manufacture from materials of any heading, except that of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 70% of the ex-works price of the product
9002	Lenses, prisms, mirrors and other optical elements, of any material, mounted, being parts of or fittings for instruments or apparatus, other than such elements of glass not optically worked	Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
9033	Parts and accessories (not specified or included elsewhere in this Chapter) for machines, appliances, instruments or apparatus of Chapter 90	Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
Chapter 91	Clocks and watches and parts thereof	Manufacture in which the value of all the materials used does not exceed 70% of the ex-works price of the product
Chapter 92	Musical instruments; parts and accessories of such articles	Manufacture in which the value of all the materials used does not exceed 70% of the ex-works price of the product
Chapter 93	Arms and ammunition; parts and accessories thereof	Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product

Harmonised System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
Chapter 94	Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings; lamps and lighting fittings, not elsewhere specified or included; illuminated signs, illuminated name-plates and the like; prefabricated buildings	Manufacture from materials of any heading, except that of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 70% of the ex-works price of the product
ex Chapter 95	Toys, games and sports requisites; parts and accessories thereof, except for:	Manufacture from materials of any heading, except that of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 70% of the ex-works price of the product
ex 9506	Golf clubs and parts thereof	Manufacture from materials of any heading, except that of the product. However, roughly-shaped blocks for making golf-club heads may be used
ex Chapter 96	Miscellaneous manufactured articles, except for:	Manufacture from materials of any heading, except that of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 70% of the ex-works price of the product

Harmonised System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
9601 and 9602	<p>Worked ivory, bone, tortoiseshell, horn, antlers, coral, mother-of-pearl and other animal carving material, and articles of these materials (including articles obtained by moulding.</p> <p>Worked vegetable or mineral carving material and articles of these materials; moulded or carved articles of wax, of stearin, of natural gums or natural resins or of modelling pastes, and other moulded or carved articles, not elsewhere specified or included; worked, unhardened gelatine (except gelatine of heading 3503) and articles of unhardened gelatine</p>	Manufacture from materials of any heading
9603	<p>Brooms, brushes (including brushes constituting parts of machines, appliances or vehicles), hand-operated mechanical floor sweepers, not motorized, mops and feather dusters; prepared knots and tufts for broom or brush making; paint pads and rollers, squeegees (other than roller squeegees)</p>	Manufacture in which the value of all the materials used does not exceed 70% of the ex-works price of the product

<b>Harmonised System heading</b>	<b>Description of product</b>	<b>Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>
9605	Travel sets for personal toilet, sewing or shoe or clothes cleaning	Each item in the set must satisfy the rule which would apply to it if it were not included in the set. However, non-originating articles may be incorporated, provided that their total value does not exceed 15% of the ex-works price of the set
9606	Buttons, press-fasteners, snap-fasteners and press-studs, button moulds and other parts of these articles; button blanks	Manufacture: - from materials of any heading, except that of the product, and - in which the value of all the materials used does not exceed 70% of the ex-works price of the product
9608	Ball-point pens; felt-tipped and other porous-tipped pens and markers; fountain pens, stylograph pens and other pens; duplicating stylos; propelling or sliding pencils; pen-holders, pencilholders and similar holders; parts (including caps and clips) of the foregoing articles, other than those of heading 9609	Manufacture from materials of any heading, except that of the product. However, nibs or nib-points of the same heading as the product may be used
9612	Typewriter or similar ribbons, inked or otherwise prepared for giving impressions, whether or not on spools or in cartridges; ink-pads, whether or not inked, with or without boxes	Manufacture: - from materials of any heading, except that of the product, and - in which the value of all the materials used does not exceed 70% of the ex-works price of the product
9613 20	Pocket lighters, gas fuelled, refillable	Manufacture in which the total value of the materials of heading 9613 used does not exceed 30% of the ex-works price of the product

<b>Harmonised System heading</b>	<b>Description of product</b>	<b>Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>
9614	Smoking pipes (including pipe bowls) and cigar or cigarette holders, and parts thereof	Manufacture from materials of any heading
Chapter 97	Works of art, collectors' pieces and antiques	Manufacture from materials of any heading, except that of the product

## **APPENDIX II**

### **APPLICATION FOR A DEROGATION**

**1. COMMERCIAL DESCRIPTION OF THE FINISHED PRODUCT**

**1.1 Customs classification (H.S. code)**

**2. COMMERCIAL DESCRIPTION OF NON-ORIGINATING MATERIALS**

**2.1 Customs classification (H. S. code)**

**3. ANTICIPATED ANNUAL QUANTITY OF EXPORTS TO THE UNION (EXPRESSED IN WEIGHT, N° OF ARTICLES, METERS OR OTHER UNIT)**

**4. VALUE OF FINISHED PRODUCTS**

**5. VALUE OF THE NON-ORIGINATING MATERIALS**

**6. ORIGIN OF NON-ORIGINATING MATERIALS**

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**7. REASONS WHY THE RULE OF ORIGIN FOR THE FINISHED PRODUCT CANNOT BE FULFILLED**

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**8. DURATION REQUESTED FOR DEROGATION**

From dd/mm/yyyy to dd/mm/yyyy
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**9. POSSIBLE DEVELOPMENTS TO OVERCOME THE NEED FOR A DEROGATION**

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**10. INFORMATION ABOUT THE COMPANY**

Capital structure of the firm concerned/Amount of investments made or foreseen/Staff employed or expected to be employed
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### **APPENDIX III**

#### **APPLICATION TO BECOME A REGISTERED EXPORTER**

**for the purpose of the registration of exporters in the OCTs in the context of the association of  
the overseas countries and territories with the European Union**

<b>1. Exporter's name, full address and country, contact details, TIN</b>
<b>2. Additional contact details including telephone and fax number as well as e-mail address where available (optional)</b>
<b>3. Specify whether your main activity is producing or trading.</b>
<b>4. Indicative description of goods which qualify for preferential treatment, including indicative list of Harmonised System headings (or chapters where goods traded fall within more than twenty Harmonised System headings).</b>

## **5. Undertaking by exporter**

**The undersigned hereby:**

- **declares that the above details are correct;**
- **certifies that no previous registration has been revoked; conversely, certifies that the situation which led to any such revocation has been remedied;**
- **undertakes to make out statements on origin only for goods which qualify for preferential treatment and comply with the origin rules specified for those goods in this Annex;**
- **undertakes to maintain appropriate commercial accounting records for production / supply of goods qualifying for preferential treatment and to keep them for at least three years from the end of the calendar year in which the statement on origin was made out;**
- **undertakes to immediately notify the competent authority of changes as they arise to his registration data since acquiring the number of registered exporter;**
- **- undertakes to cooperate with the competent authority;**
- **undertakes to accept any checks on the accuracy of his statements on origin, including verification of accounting records and visits to his premises by the European Commission or Member States' authorities;**
- **undertakes to request the revocation of his registration in the system should he no longer meet the conditions for exporting any goods under this Decision;**
- **undertakes to request the revocation of his registration in the system, should he no longer intend to export such goods under this Decision.**

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**Place, date, signature of authorised signatory, name and job title <sup>(1)</sup>**

**6. Prior specific and informed consent of exporter to the publication of his data on the public website**

**The undersigned is hereby informed that the information supplied in this declaration may be disclosed to the public via the public website. The undersigned accepts the publication of this information via the public website. The undersigned may withdraw his consent to the publication of this information via the public website by sending a request to the competent authorities responsible for the registration.**

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**Place, date, signature of authorised signatory, name and job title <sup>(1)</sup>**

**7. Box for official use by competent authority**

**The applicant is registered under the following number:**

**Registration Number:** \_\_\_\_\_

**Date of registration** \_\_\_\_\_

**Date from which the registration is valid** \_\_\_\_\_

**Signature and stamp <sup>(1)</sup>** \_\_\_\_\_

## Information notice

concerning the protection and processing of personal data incorporated in the system

1. Where the European Commission processes personal data contained in this application to become a registered exporter, Regulation (EC) No 45/2001 of the European Parliament and of the Council on the protection of individuals with regard to the processing of personal data by the Union institutions and bodies and on the free movement of such data applies. Where the competent authorities of an OCT implement Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation), the provisions of that regulation shall apply with regard to the processing of personal data and on the free movement of such data process personal data contained in this application to become a registered exporter.
2. Personal data in respect of the application to become a registered exporter are processed for the purpose of the Overseas Association Decision. The said legislation constitutes the legal basis for processing personal data in respect of the application to become a registered exporter.
3. The competent authority in an OCT where the application has been submitted is the controller with respect to processing of the data in the REX system.

The list of competent authorities is published on the website of the Commission.

4. Access to all data of this application is granted through a user ID/password to users in the Commission, the competent authorities of OCTs and the customs authorities in the Member States.

5. The data of a revoked registration shall be kept by the competent authorities of an OCT in the REX system for ten calendar years. This period shall run from the end of the year in which the revocation of a registration has taken place.
6. The data subject has a right of access to the data relating to him that will be processed through the REX system and, where appropriate, the right to rectify, erase or block data in accordance with Regulation (EC) No 45/2001 or Regulation (EU) 2016/679. Any requests for right of access, rectification, erasure or blocking shall be submitted to and processed by the competent authorities of the OCT responsible for the registration, as appropriate. Where the registered exporter has submitted a request for the exercise of that right to the Commission, the Commission shall forward such requests to the competent authorities of the OCT concerned. If the registered exporter failed to obtain his rights from the controller of data, the registered exporter shall submit such request to the Commission acting as controller. The Commission shall have the right to rectify, erase or block the data.
7. Complaints can be addressed to the relevant national data protection authority.  
Where the complaint concerns processing of data by the European Commission, it should be addressed to the European Data Protection Supervisor (EDPS)  
(<http://www.edps.europa.eu/EDPSWEB/>).

- (1) When applications to become a registered exporter or other exchanges of information between registered exporters and competent authorities in beneficiary countries or customs authorities in Member States are made using electronic data-processing techniques, the signature and stamp referred to in boxes 5, 6 and 7 shall be replaced by an electronic authentication.’

## APPENDIX IV

### STATEMENT ON ORIGIN

To be made out on any commercial documents showing the name and full address of the exporter and consignee as well as a description of the goods and the date of issue (1)

#### *French version*

L'exportateur (Numéro d'exportateur enregistré – excepté lorsque la valeur des produits originaires contenus dans l'envoi est inférieure à EUR 10.000 (2)) des produits couverts par le présent document déclare que, sauf indication claire du contraire, ces produits ont l'origine préférentielle . . . (3) au sens des règles d'origine de la Décision d'association des pays et territoires d'outre-mer et que le critère d'origine satisfait est ... ..(4)

#### *English version*

The exporter (Number of Registered Exporter – unless the value of the consigned originating products does not exceed EUR 10,000 (2)) of the products covered by this document declares that, except where otherwise clearly indicated, these products are of . . . preferential origin (3) according to rules of origin of the Decision on the association of the overseas countries and territories and that the origin criterion met is ... ..(4)

- 
- (1) Where the statement on origin replaces another statement in accordance with Article 51, this shall be indicated and the date of issue of the original statement shall also always be mentioned.

- (2) Where the statement on origin replaces another statement, the subsequent holder of the goods establishing such a statement shall indicate his name and full address followed by the mention ‘acting on the basis of the statement on origin made out by [name and full address of the exporter in the OCT], registered under the following number [Number of Registered Exporter of the exporter in the OCT]’.
- (3) Country of origin of products to be indicated. When the statement on origin relates, in whole or in part, to products originating in Ceuta and Melilla within the meaning of Article 46, the exporter must clearly indicate them in the document on which the statement is made out by means of the symbol "CM".
- (4) Products wholly obtained: enter the letter “P”; Products sufficiently worked or processed: enter the letter “W” followed by the Harmonized Commodity Description and coding System (Harmonised System) heading at the four-digit level of the exported product (example “W” 9618); where appropriate, the above mention shall be replaced with one of the following indications:
- (a) in case of cumulation under Article 2(2) or bilateral cumulation under Article 7: ‘EU cumulation’ or ‘cumul UE’; ‘OCT cumulation’ or ‘cumul PTOM’;
  - (b) in case of cumulation with an EPA country under Article 8: ‘cumulation with EPA country [name of the country]’ or ‘cumul avec le pays APE [nom du pays]’;
  - (c) in case of cumulation with a GSP country under Article 9: ‘cumulation with GSP country [name of the country]’ or ‘cumul avec le pays SPG [nom du pays]’;
  - (d) in case of cumulation with a country with which the Union has a free trade agreement under Article 10: ‘extended cumulation with country [name of the country]’ or ‘cumul étendu avec le pays [nom du pays]’.

**APPENDIX V**

**SUPPLIER'S DECLARATION FOR PRODUCTS NOT HAVING PREFERENTIAL  
ORIGINAL STATUS**

I, the undersigned, declare that the goods listed on this invoice ..... (1)

were produced in ..... (2)

and incorporate the following components or materials which do not have EPA, OCT or European  
Union originating status for preferential trade:

..... (3) ..... (4) ..... (5)

.....

.....

..... (6)

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

..... (7) ..... (8)

..... (9)



### *Note*

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

- (1) - If only some of the goods listed on the invoice are concerned they should be clearly indicated or marked and this marking entered on the declaration as follows: "..... listed on this invoice and marked ..... were produced ....."  
- If a document other than an invoice or an annex to the invoice is used (see Article 27(1)), the name of the document concerned shall be mentioned instead of the word "invoice"
- (2) The European Union, Member State, EPA country or OCT.
- (3) Description is to be given in all cases. The description must be adequate and should be sufficiently detailed to allow the tariff classification of the goods concerned to be determined.
- (4) Customs values to be given only if required
- (5) Country of origin to be given only if required. The origin to be given must be a preferential origin, all other origins to be given as "third country".
- (6) "and have undergone the following processing in [the European Union] [Member State] [APE country] [OCT] [] ....., to be added with a description of the processing carried out if this information is required.
- (7) Place and date. In case of a long-term supplier's declaration as referred to in Article 27(2), the following sentence shall be added there: "This declaration is valid for all shipments of these goods dispatched from ..... to ....."
- (8) Name and function in company
- (9) Signature

## **APPENDIX VI**

### **Information Certificate**

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

<b>1. Supplier <sup>(1)</sup></b>		<b>INFORMATION CERTIFICATE</b> to be used for preferential trade between the  <b>EUROPEAN UNION</b> and the OCTs	
<b>2. Consignee <sup>(1)</sup></b>			
<b>3. Processor <sup>(1)</sup></b>		<b>4. State in which the working or processing has been carried out</b>	
<b>6. Customs office of importation <sup>(1)</sup></b>		<b>5. For official use</b>	
<b>7. Import document <sup>(2)</sup></b> Form ..... No ..... Series ..... ..... Date .....			
<b>GOODS</b>			
<b>8. Marks, numbers, quantity and kind of package</b>	<b>9. Harmonised Commodity Description and Coding System heading/subheading number (HS code)</b>	<b>10. Quantity <sup>(1)</sup></b>	
		<b>11. Value <sup>(4)</sup></b>	
<b>IMPORTED MATERIALS USED</b>			
<b>12. Harmonised Commodity Description and Coding System heading/subheading number (HS code)</b>	<b>13. Country of origin</b>	<b>14. Quantity <sup>(3)</sup></b>	<b>15. Value <sup>(2)(5)</sup></b>
<b>16. Nature of the working or processing carried out</b>			
<b>17. Remarks</b>			
<b>18. CUSTOMS ENDORSEMENT</b> Declaration certified:  Document ..... Form ..... No ..... ..... Customs office ..... Date .....  Official stamp ..... ..... (Signature)		<b>19. DECLARATION BY THE SUPPLIER</b> I, the undersigned, declare that the information on this certificate is accurate.   ..... (Place)   (Date)  ..... (Signature)	

<sup>(1)</sup><sup>(2)</sup><sup>(3)</sup><sup>(4)</sup><sup>(5)</sup> See footnotes overleaf.

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

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

## ANNEX III

### TEMPORARY WITHDRAWAL OF PREFERENCES

#### *Article 1*

#### *Principles concerning the withdrawal of preferences*

1. The preferential arrangements provided for under Article 44 of this Decision may be withdrawn temporarily, in respect of all or of certain products originating in an OCT, in cases of:
  - (a) fraud;
  - (b) irregularities or systematic failure to comply with or to ensure compliance with the rules concerning the origin of the products and with the procedures related thereto; or
  - (c) failure to provide the administrative cooperation referred to in paragraph 2 of this Article and Title V of Annex II as required for the implementation and policing of the arrangements referred to in Articles 44 to 50 of this Decision.
2. The administrative cooperation referred to in paragraph 1 requires, inter alia, that an OCT:
  - (a) communicates to the Commission and updates the information necessary for the implementation of the rules of origin and the policing thereof;
  - (b) assists the Union by carrying out, at the request of the customs authorities of the Member States, subsequent verification of the origin of the goods, and communicates its results in time;
  - (c) carries out or arranges for appropriate inquiries to identify and prevent contravention of the rules of origin;

- (d) assists the Union by allowing the Commission, in coordination and close cooperation with the competent authorities of the Member States, to conduct Union inquiries on its territory, in order to verify the authenticity of documents or the accuracy of information relevant for granting the benefit of the arrangements referred to in Article 44 of this Decision;
- (e) complies with or ensure compliance with the rules of origin in respect of cumulation, within the meaning of Articles 7 to 10 of Annex II;
- (f) assists the Union in the verification of conduct where there is the presumption of origin-related fraud. The existence of fraud may be presumed where imports of products under the preferential arrangements provided for in this Decision massively exceed the usual levels of the beneficiary OCT exports.

## *Article 2*

### *Withdrawal of preferential arrangements*

1. The Commission may temporarily withdraw the preferential arrangements provided for in this Decision, in respect of all or of certain products originating in a beneficiary country, where it considers that there is sufficient evidence that a temporary withdrawal would be justified for the reasons referred to in paragraphs 1 and 2 of Article 1 of this Annex, provided that it has first:
  - (a) consulted the Committee referred to in Article 90 of the Decision in accordance with the procedure referred to in its paragraph 4.
  - (b) called on the Member States to take such precautionary measures as are necessary, in order to safeguard the Union's financial interests and/or secure compliance by the beneficiary country with its obligations; and

- (c) published a notice in the Official Journal of the European Union stating that there are grounds for reasonable doubt about the application of the preferential arrangements and/or compliance by the beneficiary country with its obligations, which may call into question its right to continue to enjoy the benefits granted by this Decision.

The Commission shall inform the OCT concerned of any decision taken in accordance with this paragraph, before it becomes effective. The Commission shall also notify the Committee referred to in Article 88 of the Decision.

2. The period of temporary withdrawal shall not exceed six months. On conclusion of that period, the Commission shall decide either to terminate the temporary withdrawal after informing the Committee referred to in Article 88 of the Decision or to extend the period of temporary withdrawal in accordance with the procedure referred to in paragraph 1 of this Article.
3. Member States shall communicate to the Commission all relevant information that may justify the withdrawal of preferences, its extension or its termination.

## **ANNEX IV**

### **SAFEGUARD AND SURVEILLANCE PROCEDURES**

#### *Article 1*

##### *Definitions relative to surveillance and safeguard measures*

For the purpose of the Articles 2 to 10 of this Annex relating to surveillance and safeguard measures:

- (a) ‘like product’ means a product which is identical, namely alike in all respects, to the product under consideration, or, in the absence of such a product, another product which, although not alike in all respects, has characteristics closely resembling those of the product under consideration;
- (b) ‘interested parties’ means those parties involved in the production, distribution and/or sale of the imports mentioned in Article 2(1) of this Annex and of like or directly competing products;
- (c) ‘serious difficulties’ shall exist where Union producers suffer deterioration in their economic and/or financial situation.

#### *Article 2*

##### *Principles of safeguard measures*

1. Where a product originating in an OCT referred to in Article 44 of this Decision is imported in volumes and/or at prices which cause, or threaten to cause, serious difficulties to Union producers of like or directly competing products, the necessary safeguard measures may be taken in accordance with the provisions below.



2. For the purpose of implementing paragraph 1, priority shall be given to such measures as would least disturb the functioning of the Association. These measures shall not exceed the limits of what is strictly necessary to remedy the difficulties that have arisen. They cannot exceed the withdrawal of the preferential treatment granted by this Decision.
3. When safeguard measures are taken or modified, particular attention shall be paid to the interests of the OCT involved.

### *Article 3*

#### *Initiation of proceedings*

1. The Commission shall investigate whether safeguard measures should be taken if there is sufficient prima facie evidence that the conditions of Article 2 of this Annex are met.
2. An investigation shall be initiated upon request by a Member State, by any legal person or any association not having legal personality, acting on behalf of Union producers, or on the Commission's own initiative if it is apparent to the Commission that there is sufficient prima facie evidence, as determined on the basis of factors referred to in Article 2 of this Annex, to justify such initiation. The request to initiate an investigation shall contain evidence that the conditions for imposing the safeguard measure set out in Article 2 of this Annex are met. The request shall be submitted to the Commission. The Commission shall, as far as possible, examine the accuracy and adequacy of the evidence provided in the request to determine whether there is sufficient prima facie evidence to justify the initiation of an investigation.

3. Where it is apparent that there is sufficient *prima facie* evidence to justify the initiation of a proceeding, the Commission shall publish a notice in the *Official Journal of the European Union*. Initiation shall take place within one month of the request received pursuant to paragraph 2. Should an investigation be initiated, the notice shall provide all necessary details about the procedure and deadlines, including the possibility of recourse to the Hearing Officer of the Directorate-General for Trade of the European Commission.
4. The rules and procedures concerning the conduct of the investigation are laid down in Article 4 of this Annex.
5. If the OCT's authorities so require and without prejudice to the deadlines referred to in this Article, a trilateral consultation referred to in Article 14 of this Decision shall be organised. The outcome of the trilateral consultation shall be transmitted to the consultative committee.

#### *Article 4* *Investigations*

1. Following the initiation of the proceeding, the Commission shall commence an investigation. The period as set out in paragraph 3 shall start on the day the decision to initiate the investigation is published in the *Official Journal of the European Union*.
2. The Commission may request Member States to supply information and Member States shall take whatever steps are necessary in order to give effect to any such request. If that information is of general interest and is not confidential within the meaning of Article 9 of this Annex, it shall be added to the non-confidential files as provided for in paragraph 8.
3. The investigation shall be concluded within 12 months of its initiation.

4. The Commission shall seek all information it considers necessary to make a determination with regard to the conditions set out in Article 2 of this Annex, and, where it considers it appropriate, endeavour to verify that information.
5. In the investigation the Commission shall evaluate all relevant factors of an objective and quantifiable nature having a bearing on the situation of the Union industry, in particular, the market share, changes in the level of sales, production, productivity, capacity utilisation, profits and losses, and employment. This list is not exhaustive and other relevant factors may also be taken into consideration by the Commission.
6. Interested parties who have come forward within the period laid down in the notice published in the *Official Journal of the European Union* and representatives of the OCT concerned may, upon written request, inspect all information made available to the Commission in connection with the investigation other than internal documents prepared by the Union authorities or those of the Member States, provided that that information is relevant to the presentation of their case and not confidential within the meaning of Article 9 of this Annex and that it is used by the Commission in the investigation. Interested parties who have come forward may communicate their views on the information to the Commission. Those views shall be taken into consideration where they are backed by sufficient *prima facie* evidence.
7. The Commission shall ensure that all data and statistics which are used for the investigation are available, comprehensible, transparent and verifiable.
8. The Commission shall hear the interested parties, in particular where they have made a written application within the period laid down in the notice published in the *Official Journal of the European Union*, showing that they are actually likely to be affected by the outcome of the investigation and that there are special reasons for them to be heard orally. The Commission shall hear such parties on further occasions if there are special reasons for them to be heard again.

9. When information is not supplied within the time limits set by the Commission, or the investigation is significantly impeded, findings may be made on the basis of the facts available. Where the Commission finds that any interested party or third party has supplied it with false or misleading information, it shall disregard that information and may make use of the facts available.
10. The Commission shall notify the OCT concerned in writing of the initiation of an investigation.

### *Article 5*

#### *Prior surveillance measures*

1. The products originating in the OCT referred to in Article 44 of this Decision may be subject to special surveillance.
2. Prior surveillance measures shall be adopted by the Commission in accordance with the advisory procedure referred to in Article 90 (4) of the Decision.
3. Prior surveillance measures shall have a limited period of validity. Unless otherwise provided, they shall cease to be valid at the end of the second six-month period following the first six months after the measures were introduced.
4. The Commission and the competent OCT's authorities shall ensure the effectiveness of the surveillance measures by introducing the methods of administrative cooperation set out in Annexes II and III.

## *Article 6*

### *Imposition of provisional safeguard measures*

1. On duly justified grounds of urgency relating to deterioration of the economic and/or financial situation of Union producers which would be difficult to remedy, provisional measures may be imposed. Provisional measures shall not apply for more than 200 days. Provisional measures shall be adopted by the Commission in accordance with the advisory procedure referred to in Article 90 (4) of the Decision. In cases of imperative grounds of urgency, the Commission shall adopt immediately applicable provisional safeguard measures in accordance with the procedure referred to in Article 90 (6) of the Decision.
2. Should the provisional safeguard measures be repealed because the investigation shows that the conditions set out in Article 2 are not met, any customs duty collected as a result of those provisional measures shall be refunded automatically.

## *Article 7*

### *Imposition of definitive measures*

1. Where the facts as finally established show that the conditions set out in Article 2 are not met, the Commission shall adopt a decision terminating the investigation and proceeding in accordance with the examination procedure referred to in Article 4. The Commission shall make public, with due regard to the protection of confidential information within the meaning of Article 9, a report setting forth its findings and reasoned conclusions reached on all pertinent issues of fact and law.

2. Where the facts as finally established show that the conditions set out in Article 2 are met, the Commission shall adopt a decision imposing definitive safeguard measures in accordance with the examination procedure referred to in Article 4 of this Annex. The Commission shall make public, with due regard to the protection of confidential information within the meaning of Article 9, a report containing a summary of the material facts and considerations relevant to the determination, and notify the OCT's authorities immediately of the decision to take the necessary safeguard measures.

### *Article 8*

#### *Duration and review of safeguard measures*

1. A safeguard measure shall remain in force only for such period of time as may be necessary to prevent or remedy the serious injury and to facilitate adjustment. That period shall not exceed three years, unless it is extended under paragraph 2.
2. The initial period of duration of a safeguard measure may exceptionally be extended by up to two years provided it is determined that the safeguard measure continues to be necessary to prevent or remedy serious difficulties.
3. Any extension pursuant to paragraph 2 shall be preceded by an investigation upon a request by a Member State, by any legal person or any association not having legal personality, acting on behalf of the Union industry, or on the Commission's own initiative if there is sufficient *prima facie* evidence that the safeguard measure continues to be necessary.
4. The initiation of an investigation shall be published in accordance with Article 4 and the safeguard measure shall remain in force, pending the outcome of the investigation. The investigation and any decision regarding an extension pursuant to paragraph 2 of this Article shall be done in accordance with Articles 6 and 7.

*Article 9*  
*Confidentiality*

1. Information received pursuant to this Decision shall be used only for the purpose for which it was requested. Neither information of a confidential nature nor any information provided on a confidential basis received pursuant to this Decision shall be disclosed without specific permission from the supplier of such information.
  2. Each request for confidentiality shall state the reasons why the information is confidential. However, if the supplier of the information wishes neither to make it public nor to authorise its disclosure in general terms or in the form of a summary, and if it appears that the request for confidentiality is unjustified, the information concerned may be disregarded.
  3. Information shall, in any case, be considered to be confidential if its disclosure is likely to have a significantly adverse effect upon the supplier or the source of such information.
  4. Paragraphs 1 to 4 shall not preclude reference by the Union authorities to general information and in particular to reasons on which decisions taken pursuant to this Decision are based. Those authorities shall, however, take into account the legitimate interest of natural and legal persons concerned that their business secrets should not be divulged.
-