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COUNCIL DECISION 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)

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**COUNCIL DECISION 2013/755/EU****of 25 November 2013****on the association of the overseas countries and territories with the
European Union****(‘Overseas Association Decision’)****PART ONE****GENERAL PROVISIONS OF THE ASSOCIATION OF THE
OVERSEAS COUNTRIES AND TERRITORIES WITH THE
UNION****Chapter 1*****General provisions******Article 1*****Purpose**

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.

2. The partners to the association are the Union, the OCTs and the Member States to which they are linked.

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 association shall pursue the overall objectives laid down in Article 199 TFEU, by the enhancement of the OCTs’s competitiveness, the strengthening of the OCTs’ resilience, the reduction of their economic and environmental vulnerability and the promotion of cooperation between them and other partners.

3. 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.

4. There shall be no discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation in the areas of cooperation referred to in this Decision.

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5. 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.

6. 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: economic development, social development and environmental protection.

*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 OCTs is linked, in accordance with 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 economic diversification of OCTs economies, including their further integration in world and regional economies;
- (b) the promotion of green growth;
- (c) the sustainable management of natural resources, including the conservation and sustainable use of biodiversity and ecosystem services;
- (d) the adaptation to and mitigation of impacts of climate change;
- (e) the promotion of disaster risk reduction;
- (f) the promotion of research, innovation and scientific cooperation activities;
- (g) the promotion of social, cultural and economic exchanges between the OCTs, their neighbours and other partners.

3. Cooperation in the areas of mutual interest aims 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 the relations between themselves, the Union and the OCTs 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 aims at supporting 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 Two and Three 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 African, Caribbean and Pacific (ACP) and non-ACP States. In order to achieve that objective, the Union shall improve coordination and synergies between cooperation programmes supported by different EU financial 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, and with the outermost regions, where appropriate.
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 Two and Three of this Decision;
 - (c) the awareness and knowledge of the OCTs on the impacts of regional integration processes in different areas;

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- (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) to (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 OCTs 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 (EC) No 1082/2006 and in accordance with the arrangements applicable to the Member State to which the OCTs is linked.

*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 OCTs which shall be considered to be isolated are listed in Annex I.

Chapter 2***Actors of 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).
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, environmental partners, non-governmental organisations, and bodies responsible for promoting of equality between men and women.

▼B*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 within three months of the entry into force of this Decision 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 OCTs authorities, the Commission and the Member State to which the OCTs is linked, taking into account the subject concerned, their expertise and field of activity. The process of identification shall be conducted in each OCTs 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 conducted within the framework referred to in Article 14.

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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.

*Article 14***Instances of the association**

1. The association shall establish the following instances of dialogue:
 - (a) an OCTs-EU forum for dialogue (the ‘OCTs-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;
 - (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 OCTs. 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.

PART TWO

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

Chapter 1

*Environmental issues, climate change and disaster risk reduction**Article 15***General objectives and principles**

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

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- (a) support to the OCTs efforts to define and implement policies, strategies, action plans and measures;
- (b) support to OCTs' efforts to integrate in regional 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 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 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 and best practice 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;

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- (iv) broadening the knowledge base and filling the knowledge gaps, including quantifying the value of ecosystem functions and services;
- (d) the encouragement and facilitation of regional cooperation in order to address issues such as invasive alien species or the impacts of climate change;
- (e) the development of mechanisms to lever 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;
- (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, raw materials, whilst taking into account impacts of climate change and human activities.

*Article 19***Maritime Affairs**

In the context of the association, cooperation in the field of maritime affairs 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;
- (c) the promotion of integrated approaches at international level.

▼B*Article 20***Sustainable management of fish stocks**

1. In the context of the association, cooperation in the field of sustainable management of fish stocks 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;
- (c) without prejudice to existing or 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.

2. Cooperation in the field referred to in paragraph 1 may concern:

- (a) 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;
- (b) 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.

*Article 21***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 and waste water management.

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2. In the field of water supply and sanitation sector, particular attention shall be given to access in under-served areas to 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.

*Article 22***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, including the reduction of waste, recycling or other processes of recovery, e.g. energy recovery and waste disposal.

*Article 23***Energy**

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

- (a) energy production, distribution and access, in particular, the development, promotion, use and storage of sustainable 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 environmental-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

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

*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) the integration of adaptation to climate change and its mitigation in public policies and strategies;
- (c) the elaboration and identification of statistical data and indicators, essential tools for policy making and implementation; and
- (d) 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;

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- (f) the strengthening of collaboration between key actors involved in civil protection; and
- (g) 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; and
- (c) storage facilities in sea- and airports.

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 shipments of cargo at economically and commercially viable rates;
- (b) the facilitation of greater OCTs participation 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 infrastructure.

2. The Union and the OCTs shall promote shipping safety, security of crews and the prevention of pollution.

▼B*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.

*Article 29***Air transport safety**

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

- (a) the implementation of air navigation safety systems;
- (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 spur, in the OCTs, 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 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;

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- (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.

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, 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 OCTs researchers, research bodies and legal entities from OCTs in the framework for cooperation related to research and innovation programmes within the Union and the Programme for the Competitiveness of Enterprises and small and medium - size enterprises (COSME); and
- (e) training and international mobility of OCTs researchers and exchange.

Chapter 4***Youth, education, training, health, employment and social policy******Article 32*****Youth**

1. The Union shall ensure that natural persons from OCTs, as defined in Article 50, can participate in initiatives of the Union concerning youth on the same basis as nationals of Member States.

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2. 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 natural persons from the OCTs, as defined in Article 50, can participate in education and vocational training initiatives of the Union on the same basis as nationals of Member States.

3. 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***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.

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 35***Public health**

In the context of the association, cooperation in the field of public health shall aim to strengthen the OCTs' capacity for surveillance, early detection and response to outbreaks of communicable diseases through measures including:

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- (a) actions to strengthen preparedness and response capacity against cross-border health threats such as infectious diseases which should be built on existing structures and should target unusual events;
- (b) capacity building through strengthening public health networks at regional level, facilitating exchange of information among experts and promoting adequate training;
- (c) development of tools and communication platforms as well as e-learning programs adapted to OCTs' particular needs.

Chapter 5***Culture******Article 36*****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 audiovisual 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.

▼B*Article 37***Audiovisual cooperation**

1. In the context of the association, cooperation in the audiovisual field aims at promoting each other's audiovisual productions and may cover the following actions:

- (a) cooperation and exchange between the respective broadcasting industries;
- (b) encouraging exchange of audiovisual works;
- (c) exchange of information and views on audiovisual 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 audiovisual 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 38***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 39***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;

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- (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.

Chapter 6

Fight against organised crime*Article 40***Fight against organised crime, trafficking in human beings, child sexual abuse and sexual exploitation, 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, in the prevention of and fight against organised crime, trafficking in human beings, child sexual abuse and sexual exploitation, 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 and sexual exploitation, 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 and sexual exploitation, 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;

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- (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 and sexual exploitation; 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 Articles 70 and 71.

Chapter 7***Tourism******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.

PART THREE**TRADE AND TRADE RELATED COOPERATION****TITLE I****GENERAL PROVISIONS*****Article 42*****General objectives**

The general 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;

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- (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.

TITLE II

ARRANGEMENTS FOR TRADE IN GOODS AND SERVICES AND ESTABLISHMENT

Chapter 1

*Arrangements for trade in goods**Article 43***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 VI.

*Article 44***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.

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Prohibitions or restrictions referred to in the first subparagraph shall in no case constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction of trade generally.

*Article 45***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 OCTs 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 by 2 April 2014, 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 46***Non-discrimination**

1. The Union shall not discriminate between OCTs and the OCTs shall not discriminate between Member States.

2. In compliance with Article 65, the implementation of the specific provisions in this Decision and in particular its Articles 44(2), 45 and 48, 49, 51 and 59(3) shall not be deemed to constitute a discrimination.

*Article 47***Conditions for movements of waste**

1. Movements of waste between the Member States and the OCTs shall be controlled in accordance with international 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. The Union shall prohibit all direct or indirect export of waste to the OCTs, with the exception of exports of non-hazardous waste destined for recovery operations while at the same time the OCTs authorities shall prohibit the direct or indirect import into their territory of such waste from the Union or any third country, without prejudice to specific international undertakings concerning these areas that have been made, or may be made in future, in the competent international fora.

3. 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.

4. In addition, 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 the following acts:

(a) Regulation (EC) No 1013/2006 of the European Parliament and of the Council ⁽¹⁾, as follows:

— Article 40 as regards exports of waste to overseas countries or territories;

— Article 46 as regards imports of waste from overseas countries or territories;

(b) Commission Regulation (EC) No 1418/2007 ⁽²⁾; and

(c) Directive 2000/59/EC of the European Parliament and of the Council ⁽³⁾ subject to the time limits for transposition laid down in Article 16 thereof.

⁽¹⁾ Regulation (EC) No 1013/2006 of the European Parliament and of the Council of 14 June 2006 on shipments of waste (OJ L 190, 12.7.2006, p. 1).

⁽²⁾ Commission Regulation (EC) No 1418/2007 of 29 November 2007 concerning the export for recovery of certain waste listed in Annex III or IIIA to Regulation (EC) No 1013/2006 of the European Parliament and of the Council to certain countries to which the OECD Decision on the control of transboundary movements of wastes does not apply (OJ L 316, 4.12.2007, p. 6).

⁽³⁾ Directive 2000/59/EC of the European Parliament and of the Council of 27 November 2000 on port reception facilities for ship-generated waste and cargo residues (OJ L 332, 28.12.2000, p. 81).

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5. One or more OCTs and the Member States to which they are linked may apply their own procedures to export of waste from the OCTs to that Member State.

6. In this case, the Member State to which the OCTs is linked shall notify to the Commission the applicable legislation by 2 July 2014, as well as any future relevant national legislation, and any subsequent amendments to such legislation.

*Article 48***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 OCTs and the Member State with which the OCTs 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 OCTs concerned in accordance with Annex VII.

*Article 49***Safeguard and surveillance measures**

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

Chapter 2***Arrangements for trade in services and for establishment****Article 50***Definitions**

For the purposes of this Chapter:

- (a) ‘natural person from an OCTs’ means a person ordinarily resident in an OCTs who is a national of a Member State or who enjoys a legal status specific to an OCTs. 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 OCTs’ means a legal person of the OCTs set up in accordance with the laws applicable in a given OCTs, and having its registered office, its central administration, or its principal place of business in the territory in this OCTs; should the legal person have only its registered office or central administration in the OCTs, it shall not be considered as a legal person of the OCTs, unless it engages in an activity which has a real and continuous link with the economy of that country or territory;

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- (c) the respective definitions laid down in the economic integration agreements referred to in Article 51(1) shall apply to the treatment accorded between the Union and the OCTs.

*Article 51***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 OCTs 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 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, licences or prudential measures in accordance with Article VII of the General Agreement on Trade in Services (GATS) or the GATS Annex on Financial Services. 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. The authorities of an OCTs may with a view to promoting or supporting local employment, adopt regulations to aid their natural persons and local activities. In this event, the OCTs authorities shall notify the Commission of the regulations they adopt so that it may inform the Member States thereof.

*Article 52***Professional qualifications**

With regard to the professions of doctor, dentist, midwife, general nurse, pharmacist and veterinary surgeon, the Council shall adopt in accordance with Article 203 TFEU the list of professional qualifications specific to the OCTs which are to be recognised in the Member States.

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. Trade and trade-related cooperation under the association shall take into account the principles of international environmental governance and multilateral environmental agreements.

2. The ultimate objective of the United Nations Framework Convention on Climate Change (UNFCCC) and its Kyoto Protocol shall be pursued. Cooperation shall be based on the development of the future legally binding international climate change agreement involving mitigation commitments by all parties in accordance with the implementation of decisions emanating from the Conferences of the Parties of the UNFCCC.

3. Measures to implement multilateral environmental agreements shall not be applied in a manner that would constitute a means of arbitrary or unjustifiable discrimination between the partners or a disguised restriction of trade.

*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.

3. The violation of core labour standards cannot be invoked or otherwise used as a legitimate comparative advantage. Those standards shall not be used for protectionist purposes.

*Article 56***Sustainable trade in fisheries products**

With a view to promoting the sustainable management of fish stocks, the association may include cooperation regarding the combat of illegal, unreported and unregulated fishing and related trade. Cooperation in this field aims at:

- (a) promoting the implementation of measures to combat illegal, unreported and unregulated fishing and related trade in OCTs;

- (b) 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.

*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.

▼B*Article 58***Sustainable development in trade**

1. In the context of the association, cooperation in the of field 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 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 corporate social responsibility, and encourage companies operating in the territory of OCTs to implement them;
- (e) exchanging information and best practices in the area of corporate social responsibility.

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 areas

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 impose no restrictions on the free movement of capital for 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 and 215 TFEU in accordance with the conditions laid down therein *mutatis mutandis*.

4. The OCTs 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

The elimination of distortions to competition, with due consideration to the different levels of development and economic needs of the OCTs, shall involve the implementation of local, national or regional rules and policies including the control and, under certain conditions, the prohibition of agreements between undertakings, of decisions by associations of undertakings and of concerted practices between undertakings which have as their object or effect the prevention, restriction or distortion of competition. Such prohibition also relates to the abuse by one or more undertakings of a dominant position in the territory of the Union or of the OCTs.

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.

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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***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 63***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.

*Article 64***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 problems 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;

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- (g) establishing and enhancing OCTs technical capacity to implement and monitor sanitary and phyto-sanitary measures;
- (h) promoting technology transfer in the area of sanitary and phyto-sanitary measures.

*Article 65***Prohibition of protectionist measures**

The provisions of Chapters 1 and 2 shall not be used as a means of arbitrary discrimination or a disguised restriction on trade.

Chapter 3***Monetary and tax matters****Article 66***Tax carve out**

1. Without prejudice to the provisions of Article 67, 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 67***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 OCTs 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.

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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 OCTs 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 OCTs, provided that the natural persons or legal persons who realise such profit and/or income have a permanent place of business in that OCTs, 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 OCTs 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 OCTs 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 OCTs without customs duties, import duties, taxes or fiscal charges having equivalent effect. The contract for supplies originating in the OCTs 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 OCTs;
 - (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 OCTs;
 - (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 OCTs.

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

Chapter 4***Trade capacity development******Article 68*****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 69**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;

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- (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 70***Cooperation on international financial services**

With a view to promote 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.

*Article 71***Regulatory alignment in financial services**

The Union and the OCTs shall promote regulatory convergence with recognised international standards on regulation and supervision in the area of financial services including: 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' and the Financial Action Task Force's 'International Standards on Combating Money Laundering and the Financing of Terrorism and Proliferation — the FATF Recommendations'.

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Where it is appropriate to do so, or at the request of the OCTs concerned, the Union and the OCTs may make efforts to promote greater alignment of OCTs legislation with Union Legislation on financial services.

*Article 72***Cooperation between regulatory and supervisory authorities**

The Union and the OCTs shall encourage the cooperation between relevant regulatory and supervisory authorities, including information exchange, sharing of expertise on financial markets and other such measures. Special attention shall be given to the development of administrative capacity of such authorities, inter alia, through personnel exchange and joint training.

*Article 73***Cooperation in taxation matters**

The Union and the OCTs shall promote cooperation in the tax area in order to facilitate the collection of legitimate tax revenues and to develop measures for the effective implementation of the principles of good governance in the tax area, including transparency, exchange of information and fair tax competition.

PART FOUR

INSTRUMENTS FOR SUSTAINABLE DEVELOPMENT

Chapter 1

General provisions*Article 74***General objectives**

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.

*Article 75***Definitions**

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

- (a) 'programmable aid' means the non-repayable aid under the European Development Fund allocated to the OCTs in order to finance territorial or regional strategies and priorities set out in programming documents;

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- (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 Two 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 OCTs’s strategy, priorities and arrangements and translates the objectives and targets of the OCTs for its sustainable development in an effective and efficient way to pursue the objectives of the association;
- (d) ‘development plans’ referred to in Article 83 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 OCTs and the Member State to which it is linked;
- (e) ‘territorial allocation’ means the amount allocated to individual OCTs for the programmable aid under the European Development Fund in order to finance territorial strategies and priorities set out in programming documents;
- (f) ‘regional allocation’ means the amount allocated for the programmable aid under the European Development Fund in order to finance regional cooperation strategies or thematic priorities common to several OCTs and set out in programming documents;
- (g) ‘financing decision’ means the act adopted by the Commission specifying the details of the Union’s financial contribution and authorizing to grant financial aid from the European Development Fund.

*Article 76***Principles of finance 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;

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- (c) be flexible and tailored to the situation in each OCTs; 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 OCTs 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

Financial resources

Article 77

Sources of financing

OCTs shall be eligible for the following sources of funding:

- (a) resources allocated for the OCTs under the Internal Agreement between the Member States of the Union establishing the 11th European Development Fund (EDF);
- (b) the Union programmes and instruments provided for in the Union's general budget; and
- (c) funds managed by the EIB under the EIB's own resources, and the resources allocated to the EDF Investment Facility, in accordance with the conditions of the Internal Agreement between the Member States of the Union establishing the 11th EDF ⁽¹⁾ (the '11th EDF Internal Agreement').

Chapter 3

Specific provisions for the financial assistance under the 11th EDF

Article 78

Subject-matter and scope

Within the framework of the strategy and priorities established by the OCTs concerned at local or regional level, and without prejudice to humanitarian and emergency aid, financial support may be given to the following activities helping to achieve the objectives set out in this Decision:

- (a) sector policies and reforms as well as projects that are in coherence with them;

⁽¹⁾ Internal Agreement between the Representatives of the Governments of the Member States of the European Union, meeting within the Council, on the financing of European Union aid under the multiannual financial framework for the period 2014 to 2020, in accordance with the ACP-EU Partnership Agreement, and on the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the Treaty on the Functioning of the European Union applies (OJ L 210, 6.8.2013, p. 1).

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- (b) institutional development, capacity building and integration of environmental aspects;
- (c) technical cooperation; and
- (d) additional support in the event of fluctuations in export earnings from exports of goods and services referred in Article 82.

*Article 79***Humanitarian and emergency aid**

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

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

2. The aim of humanitarian and emergency aid shall be to:
- (a) save human lives, prevent and alleviate suffering and maintain human dignity in crisis and post-crisis situations;
 - (b) contribute to the financing and delivery of humanitarian aid and to the direct access to it of its intended beneficiaries by all logistical means available;
 - (c) carry out short-term rehabilitation and reconstruction to enable the victims to benefit from a minimum of socioeconomic integration and, as soon as possible, create the conditions for a resumption of development on the basis of long-term objectives;
 - (d) address the needs arising from the displacement of people, such as refugees, displaced persons and returnees, following natural or man-made disasters so as to meet, for as long as necessary, all the needs of refugees and displaced persons, regardless of where they are located, and facilitate action for their voluntary repatriation and re-integration in their country of origin; and
 - (e) assist the OCTs in setting up short term disaster prevention and preparedness mechanisms, including for prediction and early warning, with a view to reducing the consequences of disasters.

3. The aid provided for by this Article may also be granted to OCTs taking in refugees or returnees to meet acute needs not covered by emergency assistance.

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4. Aid provided for by this Article shall be financed from the general budget of the Union. However, it may exceptionally be financed from the allocations laid down in Annex II, in addition to the funding from the budget heading concerned.

5. Humanitarian and emergency aid operations shall be undertaken at the request of the OCTs affected, the Commission, the Member State to which the OCTs is linked, international organisations or local or international non-governmental organisations. Such aid shall be administered and implemented under procedures that facilitate rapid, flexible and effective operations.

*Article 80***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 Two and Three.

2. The Union shall support the efforts of the OCTs in developing reliable statistical data regarding those areas.

3. The Union may support OCTs in their efforts to improve comparability of their macroeconomic indicators.

*Article 81***Technical assistance**

1. On the initiative of the Commission, studies or technical assistance measures may be financed in order to ensure the preparation, monitoring, evaluation and supervision necessary for implementing this Decision and for its overall evaluation. Technical assistance provided locally shall be implemented in all instances in accordance with the rules applicable to decentralised financial management.

2. On the initiative of the OCTs, studies or technical assistance measures 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.

*Article 82***Additional support in the event of fluctuations in export earnings**

1. In order to mitigate the adverse effects of any short-term fluctuations in export earnings, in particular in the agricultural, fisheries and mining sectors, which might jeopardise the attainment of the development objectives of the OCTs concerned, a system of additional support shall be instituted within the financial allocation referred to in Annex II.

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

The dependence of the OCTs economies on exports, in particular in the agricultural and mining sectors, shall be taken into account in the allocation of resources referred to in Annex V. In this context the isolated OCTs referred to in Annex I shall receive more favourable treatment in accordance with the criteria set out in Annex V.

3. The additional resources shall be provided in accordance with the specific modalities of the support mechanism as set out in Annex V.

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

*Article 83***Programming**

1. For the purpose of this Decision, programmable aid shall be based on a programming document.

2. The programming document 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.

3. Pursuant to Article 10, the OCTs authorities shall assume the primary responsibility for the formulation of strategies, priorities and arrangements through the preparation of programming documents in coordination with the Commission and the Member State to which the OCTs is linked.

4. The OCTs authorities shall be responsible for:

- (a) establishing their priorities on which the strategy shall be based; and
- (b) formulating project and programme proposals submitted to and examined with the Commission.

*Article 84***Preparation, appraisal and approval of the Programming Document**

1. The competent Territorial or, in the case of regional programmes, Regional Authorising Officer shall prepare a proposal for a Programming Document following consultations with the widest possible range of stakeholders and shall draw on lessons learned and best practices.

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2. Each proposal for a Programming Document shall be adapted to the needs and specific circumstances of each OCTs. It shall set out the focal sector(s) selected for Union financing, the specific objectives, the expected results, the performance indicators by which it shall be assessed and evaluated and the indicative financial allocation. It shall promote local ownership of cooperation programmes.

3. The proposal for the Programming Document shall be the subject of an exchange of views between the OCTs and Member State concerned and the Commission since the early stages of the programming process and with a view to promoting complementarity and consistency among their respective cooperation activities.

4. The Commission shall appraise the proposal for the Programming Document to determine whether it contains all the elements required and is consistent with the aims of this Decision and the relevant Union policies. The Commission shall consult with the European Investment Bank on the draft Programming Document.

5. The OCTs shall provide all the necessary information, including the results of any feasibility studies, to make the appraisal of the draft Programming Document by the Commission as effective as possible.

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6. The OCTs authorities and the Commission shall be jointly responsible for approving the programming document. The Commission shall approve the programming document following the procedure provided for in Article 87.

▼B*Article 85***Implementation**

1. The Commission shall adopt the financing decision corresponding to a programming document in accordance with the standards set out in the Financial Regulation applicable to the 11th EDF and following the procedure provided for in Article 87.

2. The Commission shall implement OCTs 11th EDF resources in any of the ways set out in the Financial Regulation applicable to the 11th EDF and in accordance with the conditions set out in this Decision and in the measures implementing that Decision. To this end, it shall conclude financing agreements with the relevant authorities of the OCTs.

3. The OCTs authorities shall be responsible for:

- (a) preparing, negotiating and concluding contracts;
- (b) implementing and managing projects and programmes; and
- (c) maintaining projects and programmes and ensuring their sustainability.

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4. The relevant authorities of the OCTs and the Commission shall be jointly responsible for:

- (a) ensuring equality of conditions for participation in invitations to tender and contracts;
- (b) monitoring and evaluating the effects and results of projects and programmes; and
- (c) ensuring the proper, prompt and efficient execution of projects and programmes.

5. To facilitate the exchanges of views, technical meetings shall be held at least once a year between the Territorial Authorising Officers, the Member States concerned and representatives of the Commission involved in the programming, notably through the use of modern technologies or, if possible, as an extension of the OCTs-EU Forum dialogue.

6. Actions financed under the 11th EDF may be implemented with parallel or joint co-financing subject to provisions of the Financial Regulation applicable to the 11th EDF.

*Article 86***Territorial and Regional Authorising Officers**

1. The Government of each OCTs shall appoint a Territorial Authorising Officer to represent it in all operations financed from the resources of the 11th EDF managed by the Commission and the European Investment Bank. The Territorial Authorising Officer shall appoint one or more deputy Territorial Authorising Officers to replace him when he is unable to carry out his duties and shall inform the Commission of this appointment. Wherever the conditions regarding institutional capacity and sound financial management are met, the Territorial Authorising Officer may delegate his functions for implementation of the programmes and projects concerned to the body responsible within the competent OCTs authority. The Territorial Authorising Officer shall inform *ex-ante* the Commission of any such delegation.

When the Commission becomes aware of problems in carrying out procedures relating to management of resources from the 11th EDF, it shall, in conjunction with the Territorial Authorising Officer, make all contacts necessary to remedy the situation and take any appropriate steps. The Territorial Authorising Officer shall assume financial responsibility only for the executive tasks entrusted to him.

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Where resources from the 11th EDF are managed indirectly and subject to any additional powers that might be granted by the Commission, the Territorial Authorising Officer shall:

- (a) be responsible for the coordination, programming, regular monitoring and reviews of implementation of cooperation, and for coordination with donors;
- (b) in close cooperation with the Commission, be responsible for the preparation, submission and appraisal of programmes and projects.

2. Where 11th EDF resources are managed in an indirect way and subject to any additional powers that might be granted by the Commission, the relevant Territorial Authorising Officer shall act as the Contracting Authority for programmes implemented by means of tenders or calls for proposals, under the *ex-ante* control of the Commission.

3. The Territorial Authorising Officer shall, during the execution of operations and subject to the requirement to inform the Commission, decide on:

- (a) technical adjustments and alterations to programmes and projects in matters of detail so long as they do not affect the technical solution adopted and remain within the limits of the reserve for adjustments provided for in the financing agreement;
- (b) changes of site for multiple-unit programmes or projects where justified on technical, economic or social grounds;
- (c) imposition or remission of penalties for delay;
- (d) acts discharging guarantors;
- (e) subcontracting;
- (f) final acceptance, provided that the Commission has endorsed the provisional acceptance, the corresponding minutes and, where appropriate, is present at the final acceptance, in particular where the extent of the reservations recorded at the provisional acceptance necessitates major additional work; and hiring of consultants and other technical assistance experts.

4. In the case of regional programmes, the authorities of the participating OCTs shall designate a Regional Authorising Officer among the actors of cooperation referred to in Article 11. The duties of the Regional Authorising Officer correspond *mutatis mutandis* to those of the Territorial Authorising Officer.

▼B*Article 87***EDF-OCTs Committee**

1. The Commission shall, where appropriate, be assisted by the Committee created by the 11th EDF Internal Agreement.

2. When exercising the powers conferred on it by this Decision, the Committee shall be known as the 'EDF-OCTs Committee'. The procedures of the Committee laid down in the 11th EDF Internal Agreement and the Implementation Regulation applicable to the 11th EDF shall apply to the EDF-OCTs Committee. Until the entry into force of the latter Regulation, the procedures laid down in Council Regulation (EC) No 617/2007 ⁽¹⁾ shall apply.

3. The Committee shall focus its work on the substantive issues of cooperation at OCTs and regional level. In the interests of coherence, coordination and complementarity, it shall monitor the implementation of the Programming Documents.

4. The Committee shall give its opinion on:

(a) draft Programming Documents and any amendments to them; and

(b) the financing decisions for implementing this Part of the Decision.

*Article 88***Role of Union delegations**

1. Where the Union is represented by a Delegation under the authority of a Head of Delegation, the provisions of the Financial Regulation applicable to the 11th EDF concerning authorising officers and accounting officers by subdelegation shall apply.

2. The Territorial and/or Regional Authorising Officer shall cooperate and work closely with the Head of Delegation, who shall be the main contact for the different actors of cooperation in the OCTs concerned.

*Article 89***Rules on nationality and origin for public procurement, grants and other award procedures for OCTs**

1. General rules on eligibility:

(a) Participation in the award of procurement contracts, grants and other award procedures for actions financed under this Decision for the benefit of third parties shall be open to all natural persons who are nationals of, and legal persons which are effectively established in, an eligible country or territory as defined in paragraph 2, and to International Organisations.

⁽¹⁾ Council Regulation (EC) No 617/2007 of 14 May 2007 on the implementation of the 10th European Development Fund under the ACP-EC Partnership Agreement (OJ L 152, 13.6.2007, p. 1).

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- (b) In the case of actions jointly co-financed with a partner or other donor or implemented through a Member State in shared management or through a Trust Fund established by the Commission, countries which are eligible under the rules of that partner, other donor or Member State or determined in the constitutive act of the trust fund, shall also be eligible.

In the case of actions implemented through entrusted bodies, which are Member States or their agencies, the European Investment Bank or through International Organisations or their agencies, natural and legal persons who are eligible under the rules of that entrusted body, as identified in the agreements concluded with the co-financing or implementing body, shall also be eligible.

- (c) In the case of actions financed under this Decision and, in addition, under another Instrument for external action, including the Partnership Agreement between the members of the African, Caribbean and Pacific Group of States, of the one part, and the European Community and its Member States, of the other part, signed in Cotonou on 23 June 2000 ⁽¹⁾, as last amended in Ouagadougou on 22 June 2010 ⁽²⁾, the countries identified under any of these Instruments shall be considered eligible for the purpose of that action.

In the case of actions of a global, regional or cross-border nature financed under this Decision, natural and legal persons from countries, territories and regions covered by the action may participate in the procedures implementing such actions.

- (d) All supplies purchased under a procurement contract, or in accordance with a grant agreement, financed under this Decision shall originate from an eligible country or territory. However, they may originate from any country or territory when the amount of the supplies to be purchased is below the threshold for the use of the competitive negotiated procedure. For the purposes of this Article, the term 'origin' is defined in Article 23 and 24 of Council Regulation (EEC) No 2913/92 ⁽³⁾ and other Union legislation governing non-preferential origin.
- (e) The rules under this Article do not apply to, and do not create nationality restrictions for, natural persons employed or otherwise legally contracted by an eligible contractor or, where applicable, subcontractor.
- (f) Eligibility as defined in this Article may be restricted with regard to the nationality, localisation or nature of applicants, where required by the nature and the objectives of the action and as necessary for its effective implementation.

⁽¹⁾ OJ L 317, 15.12.2000, p. 3.

⁽²⁾ OJ L 287, 4.11.2010, p. 3.

⁽³⁾ Council Regulation (EEC) No 2913/92 of 12 October 1992 establishing the Community Customs Code (OJ L 302, 19.10.1992, p. 1).

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(g) Natural and legal persons who have been awarded contracts shall respect applicable environmental legislation including multilateral environmental agreements as well as internationally agreed core labour standards.

2. Tenderers, applicants and candidates from the following countries and territories shall be eligible to funding under this Decision:

(a) Member States, candidate countries and potential candidates as recognised by the Union, and members of the European Economic Area;

(b) OCTs;

(c) developing countries and territories, as included in the OECD-DAC list of ODA Recipients, which are not members of the G-20 group;

(d) countries for which reciprocal access to external assistance is established by the Commission. Reciprocal access may be granted, for a limited period of at least one year, whenever a country grants eligibility on equal terms to entities from the Union and from OCTs;

(e) Member States of the OECD, in the case of contracts implemented in a Least Developed Country;

(f) when announced in advance in the documents of the procedure:

(i) countries having traditional economic, trade or geographical links with neighbouring beneficiary countries;

(ii) all countries, in the case of urgency or of unavailability of products and services in the markets of the eligible countries.

3. Tenderers, applicants and candidates from non-eligible countries or goods from non-eligible origin may be accepted as eligible by the Commission in duly substantiated cases where the eligibility rules would make the realisation of a project, a programme or an action impossible or exceedingly difficult.

4. For actions implemented in shared management, the relevant Member State to which the Commission has delegated implementation tasks is entitled, on behalf of the Commission, to authorise participation of tenderers, applicants and candidates from other countries and authorise goods from other countries within the meaning of point (f) of paragraph 2, and to accept as eligible, tenderers, applicants and candidates from non-eligible countries within the meaning of paragraph 3, or goods from non-eligible origin within the meaning of point (d) of paragraph 1.



Article 90

Protecting the Union's financial interests and financial controls

1. The Commission shall take appropriate measures ensuring that, when actions financed under this Decision are implemented, the financial interests of the Union are protected by the application of preventive measures against fraud, corruption and any other illegal activities, by effective checks and, if irregularities are detected, by the recovery of the amounts wrongly paid and, where appropriate, by effective, proportionate and deterrent penalties.

2. The Commission and the Court of Auditors (ECA) shall have the power of audit, on the basis of documents and on-the-spot, over all grant beneficiaries, contractors and subcontractors who have received Union funds.

The European Anti-fraud Office (OLAF) may carry out on-the-spot checks and inspections on economic operators concerned directly or indirectly by such funding in accordance with the procedures laid down in Council Regulation (Euratom, EC) No 2185/96⁽¹⁾ with a view to establishing whether there has been fraud, corruption or any other illegal activity in connection with a grant agreement or grant decision or a contract concerning Union funding.

Without prejudice to the first and second subparagraphs, agreements with third countries and international organisations, and grant agreements and grant decisions and contracts resulting from the implementation of this Decision shall expressly empower the Commission, the ECA and OLAF to conduct such audits, on-the-spot checks and inspections, in accordance with the relevant EDF Financial Regulation.

3. 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 OCTs is linked in accordance with the applicable national legislation.

4. 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.

⁽¹⁾ Council 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 L 292, 15.11.1996, p. 2).

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5. The Commission, the OCTs and, where appropriate, the Member State to which it is linked, shall cooperate on the basis of administrative arrangements at annual or biannual meetings to coordinate programmes, methodologies and the implementation of controls.
6. 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 OCTs concerned, the Commission shall take action, if the OCTs fails to remedy the situation and attempts at conciliation are unsuccessful, to reduce or withdraw the balance of the overall allocation corresponding to the financing decision of the Programming Document.

*Article 91***Monitoring, evaluation, review process and reporting**

1. Financial cooperation shall be sufficiently flexible to ensure that operations are kept constantly in line with the objectives of this Decision and take account of any changes occurring in the economic situation, priorities and objectives of the OCTs concerned, in particular by means of an ad hoc review of the Programming Document.
2. The review may be launched by the Commission or at the request of the OCTs concerned and following the agreement of the Commission.
3. The Commission shall examine the progress made in implementing the financial assistance provided to the OCTs, under the 11th EDF, and shall submit to the Council a report every year starting in 2015 on the implementation and results and, as far as possible, the main outcomes and impacts of the Union's financial assistance. The report shall also be sent to the European Parliament, the European Economic and Social Committee and the Committee of the Regions.
4. The report referred to in paragraph 3 shall contain information relating to the previous year on the measures financed, the results of monitoring and evaluation exercises, the involvement of the relevant partners, and the implementation of the 11th EDF commitments and payments appropriations. The report shall assess the results of the assistance, using as far as possible, specific and measurable indicators. It shall reflect the main lessons learned and the follow-up to the recommendations of the evaluations of the previous years.



Chapter 4

Principles of eligibility

Article 92

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 OCTs;
 - (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.

Article 93

Eligibility for regional financing

1. A regional allocation shall be used for operations benefiting and involving:
 - (a) two or more OCTs regardless of their location;
 - (b) one or more OCTs and one or more outermost regions referred to in Article 349 TFEU;
 - (c) one or more OCTs and one or more neighbouring ACP and/or non-ACP States;
 - (d) one or more OCTs, one or more outermost regions and one or more ACP and/or non-ACP States;
 - (e) two or more regional bodies of which OCTs are members;

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- (f) one or more OCTs and regional bodies of which OCTs, ACP States or one or more of the outermost regions are members;
 - (g) the OCTs and the Union as a whole; or
 - (h) one or more entities, authorities or other bodies from at least one OCTs, being members of an EGTC in accordance with Article 8, one or more outermost regions and one or more neighbouring ACP and/or non-ACP States.
2. The funding to enable participation of the ACP States, outermost regions and other countries shall be additional to funds allocated to the OCTs under this Decision.
3. The participation of ACP States, outermost regions and other countries to programmes established pursuant to this Decision shall be envisaged only to the extent that:
- (a) the centre of gravity of the projects and programmes funded under the multi-annual financial framework of cooperation remains in an OCTs;
 - (b) equivalent provisions exist in the framework of the Union's financial instruments; and
 - (c) the principle of proportionality is respected.
4. Appropriate measures will allow for matching of funding of credits from the EDF and the general budget of the Union to finance cooperation projects between the OCTs, the ACP Countries, the outermost regions as well as other countries, in particular simplified mechanisms for joint management of such projects.

*Article 94***Eligibility for Union programmes**

1. Natural persons from an OCTs, as defined in Article 50, and, where applicable, the relevant public and/or private bodies and institutions in an OCTs, shall be eligible for participation in and funding from Union programmes, subject to the rules and objectives of the programmes and possible arrangements applicable to the Member State to which the OCTs is linked.
2. OCTs shall also be eligible for support under programmes of the Union for cooperation with other countries, notably developing countries, subject to the rules, objectives and arrangements of those programmes.
3. The Commission shall report to the EDF-OCTs Committee on the participation of OCTs to Union programmes, on the basis of information contained in the Annual Implementation Report submitted by OCTs and other information available.



PART FIVE
FINAL PROVISIONS

Article 95

Delegation of powers to the Commission

The Commission shall be empowered to adopt delegated acts amending the Appendices of Annex VI for the purpose of taking into account technological development and changes in customs legislation, in accordance with the procedure laid down in Article 96.

Article 96

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 95 shall be conferred on the Commission for a period of 5 years from 1 January 2014. 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 95 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. As soon as it adopts a delegated act, the Commission shall notify it to the Council.

5. A delegated act adopted pursuant to Article 95 shall enter into force only if no objection has been expressed by the Council within a period of 2 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 2 months at the initiative of the Council.

Article 97

Change of status

The Council, acting according to Article 203 TFEU, shall decide on any necessary adjustments to this Decision when:

(a) an OCTs becomes independent;

(b) an OCTs leaves the association;

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- (c) an OCTs becomes an outermost region;
- (d) an outermost region becomes an OCTs.

Article 98

Repeal

Council Decision 2001/822/EC is hereby repealed.

References to the repealed Decision shall be construed as references to this Decision.

Article 99

Entry into force

This Decision shall enter into force on 1 January 2014.

Annex VI shall apply as provided for in Article 65 of that Annex.

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ANNEX I

LIST OF THE ISOLATED OCTs

- Falkland Islands
- Saint Helena, Ascension Island, Tristan da Cunha
- St Pierre and Miquelon

*ANNEX II***UNION FINANCIAL ASSISTANCE: 11th EDF***Article 1***Allocation between the various instruments**

1. For the purposes of this Decision, for the seven-year period from 1 January 2014 to 31 December 2020, the overall amount of the Union financial assistance of EUR 364,5 million under the 11th EDF fixed by the Internal Agreement establishing the 11th EDF shall be allocated as follows:

- (a) EUR 351 million in the form of grants for programmable support for long-term development, humanitarian aid, emergency aid, refugee aid and additional support in the event of fluctuations in export earnings as well as for support for regional cooperation and integration;
- (b) EUR 5 million to finance interest subsidies and technical assistance in the context of the OCTs Investment Facility referred to in Annex IV;
- (c) ► **C1** EUR 8,5 million to studies or technical assistance measures in accordance with Article 81 of this Decision, and to an overall evaluation of the Decision to be made four years before it expires, at the latest. ◀

2. The funds of the 11th EDF shall not be committed after 31 December 2020, unless the Council unanimously decides otherwise, on a proposal from the Commission.

3. Should the funds provided for in paragraph 1 be exhausted before this Decision expires, the Council shall take the appropriate measures.

*Article 2***Administration of resources**

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

*Article 3***Allocation between the OCTs**

The amount of EUR 351 million mentioned in point (a) of Article 1(1) of this Annex shall be allocated on the basis of the needs and performance of the OCTs in accordance with the following criteria:

- 1. An amount A of EUR 229,5 million shall be allocated to the 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.

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The allocation of amount A shall take into account the size of the population, the level of Gross Domestic Product (GDP), the level of previous EDF allocations and constraints due to the geographical isolation of OCTs as mentioned in Article 9 of this Decision. Any allocation shall be such as to allow its effective use. It should be decided in conformity with the principle of subsidiarity.

2. EUR 100 million shall be allocated to support regional cooperation and integration in accordance with Article 7 of this Decision, in particular regarding the priorities and 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 Union financial instruments, cooperation between the OCTs and the outermost regions referred to in Article 349 TFEU.
3. A non-allocated reserve B of EUR 21,5 million shall be set aside to:
 - (a) finance humanitarian and emergency assistance for the OCTs and, if necessary, the additional support in the event of fluctuations in export earnings, in accordance with Annex IV;
 - (b) make new allocations in accordance with the development of the needs and performance of the OCTs referred to under paragraph 1.

Performance shall be evaluated in an objective and transparent way, taking into account, *inter alia*, the use of the allocated resources, the effective implementation of the ongoing operations and the sustainable development measures adopted.

4. The Commission, following a mid-term review, may decide on the allocation of any non-allocated funds mentioned in this Article. The procedures for this review and the decision on any new allocation shall be adopted in accordance with Article 87 of this Decision.

▼B*ANNEX III***UNION FINANCIAL ASSISTANCE: LOANS FROM THE EIB'S OWN RESOURCES***Article 1***Amount**

An amount of up to EUR 100 million shall be provided by the EIB for financing from its own resources in accordance with its own rules and procedures and the conditions provided for by its statutes and this Annex.

*Article 2***EIB**

1. The EIB shall:
 - (a) contribute, through the resources it manages, to the economic and industrial development of the OCTs on a territorial and regional basis and, to this end, finance as a priority productive projects or other investments aimed at promoting the private sector in all economic sectors;
 - (b) establish close cooperation links with national and regional development banks and with banking and financial institutions of the OCTs and of the Union;
 - (c) in consultation with the OCTs concerned, adapt the arrangements and procedures for implementing development finance cooperation, as set out in this Decision, if necessary, to take account of the nature of the projects and to act in accordance with the objectives of this Decision, within the framework of the procedures laid down by its statute.
2. Financing from the EIB's own resources shall be granted under the following terms and conditions:
 - (a) the reference rate of interest shall be the rate applied by the EIB for a loan with the same conditions as to currency, repayment period and securities on the day of signature of the contract or on the date of disbursement;
 - (b) however:
 - (i) in principle, public sector projects shall be eligible for an interest rate subsidy of 3 %;
 - (ii) for private sector projects which involve restructuring operations in the framework of privatisation or for projects with substantial and clearly demonstrable social or environmental benefits, loans may be extended with an interest rate subsidy the amount and form of which will be decided with respect to the particular characteristics of the project. However, the interest rate subsidy shall not be higher than 3 %.
 - (iii) the final interest rate shall, in any case, never be less than 50 % of the reference rate.

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- (c) the amount of the interest rate subsidy calculated in terms of its value at the times of disbursement of the loan shall be charged against the interest subsidy allocation laid down in Article 2(11) of Annex IV, and paid directly to the EIB. Interest subsidies may be capitalised or used in the form of grants to support project-related technical assistance, particularly for financial institutions in the OCTs.
 - (d) the repayment period of loans made by the EIB from its own resources shall be determined on the basis of the economic and financial characteristics of the project, but may not exceed 25 years. These loans shall normally comprise a grace period fixed by reference to the construction period of the project.
3. For investments financed by the EIB from its own resources in public sector companies, specific project-related guarantees or undertakings may be required from the OCTs concerned.

*Article 3***Conditions for foreign exchange transfer**

1. The OCTs concerned shall, in respect of operations under this Decision and in respect of which they have given their written approval:
- (a) grant exemption from all national or local duties, fiscal charges on interest, commission and amortisation of loans due in accordance with the law or laws of the OCTs concerned;
 - (b) place at the disposal of the beneficiaries the currency necessary for the payment of interest, commission and the amortisation of loans due in terms of financing contracts granted for the implementation of projects on their territories;
 - (c) make available to the EIB the foreign currency necessary for the transfer of all sums received by it in national currency at the exchange rate applicable between the euro or other currencies of transfer and the national currency at the date of the transfer. These include all forms of remuneration, such as, inter alia, interest, dividends, commissions and fees, as well as the amortisation of loans and the proceeds from the sale of shares due in terms of financing contracts granted for the implementation of projects on their territories.
2. For the purposes of this Article, 'OCTs concerned' shall mean the OCTs benefitting from the operation.

*ANNEX IV***UNION FINANCIAL ASSISTANCE: EIB INVESTMENT FACILITY***Article 1***Objective**

The OCTs Investment Facility (the Facility) set up by Decision 2001/822/EC with EDF funds to promote commercially viable enterprises shall be maintained.

The terms and conditions of financing in relation to the operations of the Facility and the loans from own resources of the EIB shall be as laid down in the Internal Agreement establishing the 11th EDF and in Annex III and in this Annex.

These resources may be channelled to eligible enterprises, either directly or indirectly, through eligible investment funds and/or financial intermediaries.

*Article 2***Resources of the Facility**

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

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- (b) participating loans, the servicing and/or the duration of which shall be linked to the financial return of the project;
 - (c) subordinated loans, which shall be repaid only after other claims have been settled.
4. The remuneration of each operation shall be specified when the loan is made.
5. Without prejudice to paragraph 4:
- (a) in the case of conditional or participating loans, the remuneration shall normally comprise a fixed interest rate of not more than 3 % and a variable component related to the performance of the project;
 - (b) in the case of subordinated loans, the interest rate shall be market related.
6. Guarantees shall be priced so as to reflect the risks insured and the particular characteristics of the operation.
7. The interest rate of ordinary loans shall comprise a reference rate applied by the EIB for comparable loans with the same terms and conditions as to grace and repayment periods and a mark up determined by the EIB.
8. Ordinary loans may be extended on concessional terms and conditions in the following cases:
- (a) for infrastructure projects in the least developed OCTs, in post-conflict OCTs or in post-natural disaster OCTs that are prerequisites for private sector development. In such cases, the interest rate of the loan will be reduced by 3 %;
 - (b) for projects which involve restructuring operations in the framework of privatisation or for projects with substantial and clearly demonstrable social or environmental benefits. In such cases, loans may be extended with an interest rate subsidy the amount and form of which will be decided with respect to the particular characteristics of the project. However, the interest rate subsidy shall not be higher than 3 %.
9. The final rate of loans falling under point (a) or (b) of paragraph 8 shall, in any case, never be less than 50 % of the reference rate.
10. The funds to be provided for these concessional purposes will be made available from the Facility and shall not exceed the overall allocation for investment financing by the Facility and by the EIB from its own resources.
11. Interest subsidies may be capitalised or may be used in the form of grants to support project-related technical assistance, particularly for financial institutions in the OCTs.



Article 3

Operations of the Facility

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

- (a) be managed as a revolving fund and aim at being financially sustainable. Its operations shall be on market-related terms and conditions and shall avoid creating distortions on local markets and displacing private sources of finances;
- (b) support the OCTs financial sector and have a catalytic effect by encouraging the mobilisation of long-term local resources and attracting foreign private investors and lenders to projects in the OCTs;
- (c) bear part of the risk of the projects it funds, its financial sustainability being ensured through the portfolio as a whole and not from individual operations;
- (d) seek to channel funds through OCTs institutions and programmes that promote the development of small and medium-sized enterprises (SMEs).

2. The EIB shall be remunerated for the cost incurred in managing the Facility. The remuneration of the EIB shall include a fixed component of 0,5 % a year of the initial endowment and a variable component of an amount of up to 1,5 % a year of the portfolio of the Facility that is invested in projects in OCTs. The remuneration shall be financed out of the Facility.

3. Upon expiry of this Decision, and in the absence of a specific decision by the Council, the cumulative net reflows to the Facility shall be carried over to the next OCTs Financial Instrument.

Article 4

Conditions for foreign exchange rate risk

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

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

*Article 5***Financial controls**

1. Investment Facility operations shall be subject to the control and discharge procedure laid down in the Statutes of the EIB for all of its operations.
2. The ECA's supervision of Investment Facility operations shall be carried out in accordance with the procedures agreed upon between the Commission, the EIB and the ECA, and in particular the Tripartite Agreement between the European Commission, the European Court of Auditors and the European Investment Bank of 27 October 2003, as amended, supplemented or modified from time to time.

*Article 6***Privileges and immunities**

1. The representatives of the EIB, while they are engaged in activities connected with or in implementation of this Decision, shall enjoy in the OCTs the customary privileges, immunities and facilities while carrying out their duties and while travelling to or from the place at which they are required to carry out such duties.
2. For its official communications and the transmission of all its documents, the EIB shall enjoy in the territory of the OCTs the treatment accorded to international organisations.
3. Official correspondence and other official communications of the EIB shall not be subject to censorship.

*ANNEX V***UNION FINANCIAL ASSISTANCE: ADDITIONAL SUPPORT IN THE EVENT OF SHORT-TERM FLUCTUATIONS IN EXPORT EARNINGS***Article 1***Principles**

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

*Article 2***Eligibility criteria**

1. Eligibility for additional resources shall be established by:
 - (a) a 10 %, or 2 % in the case of isolated OCTs as mentioned in Annex I, loss of export earnings from goods compared with the arithmetical average of the earnings in the first three years of the first four years preceding the application year; or
 - (b) a 10 %, or 2 % in the case of isolated OCTs as mentioned in Annex I, loss of export earnings from the total of agricultural, fisheries or mineral products compared with the arithmetical average of the earnings in the first three years of the first four years preceding the application year for countries where the agricultural, fisheries or mineral export revenues represent more than 40 % of total export revenues from goods.
2. Entitlement to additional support shall be limited to four successive years.
3. The additional resources shall be reflected in the public accounts of the country concerned. They shall be utilised in accordance with the implementing provisions to be laid down pursuant to Article 85 of this Decision. By agreement of both Parties the resources may be used to finance programmes included in the national budget. However a part of the additional resources may also be set aside for specific sectors.

*Article 3***Advances**

The system for allocating additional resources shall provide for advances to cover any delays in obtaining consolidated trade statistics and to ensure that the resources in question can be included in the budget of the year following the application year. Advances shall be mobilised on the basis of provisional export statistics drawn up by the authorities of the OCTs and submitted to the Commission in advance of the official final consolidated statistics. The maximum advance shall be

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80 % of the estimated amount of additional resources for the application year. The amounts thus mobilised shall be adjusted by common agreement between the Commission and the authorities of the OCTs in the light of final consolidated export statistics and the final figure of the public deficit.

*Article 4***Revision**

The provisions in this Annex shall be subject to review at the latest after two years from the entry into force of the implementing provisions referred to in Article 85 of this Decision and subsequently at the request of the Commission, a Member State or an OCTs.

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ANNEX VI

**CONCERNING THE DEFINITION OF THE CONCEPT OF
'ORIGINATING PRODUCTS' AND METHODS OF ADMINISTRATIVE
COOPERATION**

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TITLE I

GENERAL PROVISIONS

Article 1

Definitions

For the purposes of this Annex the following definitions 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;

▼ C2

- (g) ‘customs value’ means the value as determined in accordance with the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994 (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 purposes 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 point 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 to be 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 subheading;
- (k) ‘net weight’ means the weight of the goods themselves without packing materials and packing containers of any kind;
- (l) ‘chapters’, ‘headings’ and ‘subheadings’ mean the chapters, the headings and subheadings (four- or six-digit codes) used in the nomenclature which makes up the Harmonized Commodity Description and Coding System (‘Harmonized 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 subheading;
- (n) ‘consignment’ means products which are either:
 - (i) sent simultaneously from one exporter to one consignee; or

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- (ii) 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 an 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 GSP beneficiary country as defined in point (d) of Article 2 of Regulation (EU) No 978/2012 of the European Parliament and of the Council ⁽¹⁾;
- (s) ‘REX system’ means the system for registering exporters authorised to certify the origin of goods referred to in Article 80(1) of Commission Implementing Regulation (EU) 2015/2447 ⁽²⁾.

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 of this Annex;
- (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 of this Annex.

⁽¹⁾ 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).

⁽²⁾ 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).

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2. Originating products made up of materials wholly obtained or sufficiently worked or processed in two or more OCTs shall be considered to be products originating in the OCT where the last working or processing took place.

*Article 3***Wholly obtained products**

1. The following shall be considered to have been 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 points (h) and (i) of paragraph 1 shall apply only to vessels and factory ships which meet each of the following requirements:

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- (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:
 - (i) they are at least 50 % owned by nationals of the OCTs or of Member States; or
 - (ii) they are owned by companies:
 - which have their head office and their main place of business in the OCTs or in Member States; and
 - 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 that 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 of this Annex, products which are not wholly obtained in an OCT within the meaning of Article 3 of this Annex 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. Where the second subparagraph of paragraph 3 applies, 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.

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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 of this Article, the following operations shall be considered to be insufficient working or processing to confer the status of originating products, whether or not the requirements of Article 4 of this Annex 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;

▼ C2

- (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 of this Annex 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, for which the tolerances mentioned in Notes 6 and 7 of Appendix I shall apply.

2. Paragraph 1 of this Article 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 of this Article shall not apply to products wholly obtained in an OCT within the meaning of Article 3 of this Annex. However, without prejudice to Article 5 and Article 11(2) of this Annex, the tolerance provided for in paragraphs 1 and 2 of this Article 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.

▼ C2*Article 7***Bilateral cumulation**

1. Without prejudice to Article 2 of this Annex, materials originating in the Union shall be considered to be 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) of this Annex.
2. Without prejudice to Article 2 of this Annex, working or processing carried out in the Union shall be considered to have been carried out in an OCT when the materials undergo subsequent working or processing there.
3. For the purposes of cumulation as 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 of this Annex, materials originating in the EPA countries shall be considered to be 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) of this Annex.
2. Without prejudice to Article 2 of this Annex, working or processing carried out in the EPA countries shall be considered to have been carried out in an OCT, when the materials undergo subsequent working or processing there.
3. For the purposes of paragraph 1, 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:
 - (i) comply or ensure compliance with this Annex; and
 - (ii) provide the administrative cooperation necessary to ensure the correct implementation of this Annex both with regard to the Union and between themselves;

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

5. Where EPA countries have already complied with paragraph 4 before 1 January 2014, 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 the Generalised System of Preferences

1. Without prejudice to Article 2 of this Annex, materials originating in countries and territories set out in paragraph 2 of this Article shall be considered to be 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) of this Annex.

2. For the purposes of paragraph 1 of this Article, 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 ('GSP'), referred to in point (c) of Article 1(2) of Regulation (EU) No 978/2012; or
- (b) benefiting from duty-free quota-free access to the market of the Union at Harmonized System 6-digit level under the general arrangement of the GSP, referred to in point (a) of Article 1(2) 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 Commission Delegated Regulation (EU) 2015/2446 ⁽¹⁾.

4. The cumulation provided for in paragraph 1 of this Article shall not apply to the following:

- (a) materials which at importation to the Union are subject to anti-dumping or countervailing duties when originating from the country which is subject to these antidumping or countervailing duties;
- (b) tuna products classified under 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.

⁽¹⁾ 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).

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The competent authorities of the OCTs shall notify the Commission on an annual basis of the materials, if any, to which cumulation under paragraph 1 of this Article 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 cooperation 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) of this paragraph 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 the countries or territories referred to 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:
 - (i) comply or ensure compliance with this Annex;
 - (ii) provide the administrative cooperation necessary to ensure the correct implementation of this Annex, both with regard to the Union and between themselves; and
 - (iii) 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.

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 of paragraph 1 shall:

- (a) be addressed to the Commission in writing;

▼ C2

- (b) indicate the third country or countries concerned;
- (c) contain a list of the materials subject to cumulation; and
- (d) be supported by evidence that the conditions laid down in points (a) and (b) of paragraph 1 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) of this Annex.

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 of this Article by means of implementing acts. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 47(2) of this Annex.

*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 to be 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, each individual item shall be taken into account when applying the provisions of this Annex.
3. Where, under general rule 5 of the Harmonized System, packaging is included with the product for classification purposes, it shall be included for the purpose 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.

▼ C2*Article 13***Sets**

Sets, as defined in General Rule 3 for the interpretation of the Harmonized 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 purposes 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.

▼ C2

3. The beneficiary of the method referred to in paragraph 2 shall make out or, until the application of the REX 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 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 of this Annex 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 of this Annex;
- (c) the development of existing industries or the creation of new industries justifies it.

2. The request referred to in paragraph 1 of this Article 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;

▼ C2

(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 those rules to be satisfied in 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 the steps necessary to ensure that a decision is reached as quickly as possible and shall endeavour to adopt its position within 75 working days of its receipt of the request.

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 of this Article by means of implementing acts. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 47(2) of this Annex.

TITLE III

TERRITORIAL REQUIREMENTS*Article 17***Principle of territoriality**

1. Except as provided for in Articles 7 to 10 of this Annex, 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 to be non-originating unless it can be demonstrated to the satisfaction of the competent authorities of the OCT that:

- (a) the products returned are the same as those which were exported; and
- (b) they have not undergone any operations beyond those necessary to preserve them in good condition while in that country or while being exported.

▼ C2*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. The customs authorities shall consider the declarant to have complied with paragraph 1 unless they 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 of this Article shall apply *mutatis mutandis* when cumulation under Articles 7 to 10 of this Annex 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 shall be issued or made out in accordance with Title IV of this Annex and submitted to the customs authorities of the importing country in the normal manner. The name and address of the exhibition shall be indicated thereon. Where necessary, additional documentary evidence of the conditions under which they have been exhibited may be required.

▼ C2

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 euros**

1. For the application of Articles 29 and 30 of this Annex in cases where products are invoiced in a currency other than the euro, amounts in the national currencies of the Member States equivalent to the amounts expressed in euros shall be fixed annually by each of the countries concerned.

2. A consignment shall benefit from Articles 29 and 30 of this Annex 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 euros as at the first working day of October of each year. 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 may round up or down the amount resulting from the conversion into its national currency of an amount expressed in euros. The rounded-off amount may not differ from the amount resulting from the conversion by more than 5 per cent. A Member State may retain unchanged its national currency equivalent of an amount expressed in euros 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 euros 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 euros.

▼ C2*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 of this Annex;
- (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 OCT referred to in Article 39(1) of this Annex, using the form a model of which is set out in Appendix V.
2. The application shall be accepted by the competent authorities of the OCT 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 and already registered in the REX system for the purposes of the GSP scheme of Norway or Switzerland shall not be required to lodge an application with the competent authorities of the OCT 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) of this Annex.

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) of this Annex.

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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 boxes 1 and 2 of the form set out in Appendix III;
 - (d) indicative description of the goods which qualify for preferential treatment, including indicative list of 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 of 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 competent authorities of the OCT 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 of an OCT in accordance with paragraph 2 may only be re-introduced into the record of registered exporters once they have proved to the competent authorities of that OCT that they have remedied the situation which led to their revocation.

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5. If an exporter has been revoked from the record of registered exporters by the competent authorities of the OCT 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:
 - (i) the statements on origin they made out; and
 - (ii) 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 of this Article shall also apply to suppliers who provide exporters with the supplier's declaration referred to in Article 27 of this Annex.

*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.

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

4. For the purposes of Article 2(2) of this Annex or of bilateral cumulation under Article 7 of this Annex:

- (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 of this Annex and provided to the exporter by the supplier in the OCT or in the Union, from which the materials came.

In cases where the first subparagraph applies, 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 purposes of cumulation with an EPA country under Article 8 of this Annex:

- (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 of this Annex and provided to the exporter by the supplier in the EPA country from which the materials came.

In cases where the first subparagraph applies, 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 purposes of cumulation with other countries benefiting from duty-free quota-free access to the market of the Union under GSP under Article 9 of this Annex, the evidence of originating status shall be given by the proofs of origin provided for in Implementing 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]'.

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7. For the purposes of extended cumulation under Article 10 of this Annex, 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 cases where the first subparagraph applies, 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 purposes of point (b) of the first subparagraph of Article 26(4) and point (b) of the first subparagraph of Article 26(5) of this Annex, 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 is set out 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 (‘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

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supplying company is identified to the satisfaction of the customs authorities in the country or territory where the suppliers' declarations were established. Such customs authorities may lay down conditions for the implementation of this paragraph.

*Article 28***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) for the interpretation of the Harmonized system;
 - (b) they fall 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 to be a simplified declaration within the meaning of Article 166 of Regulation (EU) No 952/2013 of the European Parliament and of the Council⁽¹⁾ and treated accordingly.
3. Before declaring goods for release for free circulation, the declarant shall take due care that the goods comply with this Annex by, in particular, checking:
 - (a) on the public website referred to in Article 40(3) and (4) of this Annex 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

⁽¹⁾ 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).

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- (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 1 200.

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 to be 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 invalid 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.

▼ C2*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) of this Annex 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 that final date.

*Article 33***Procedure for importation by instalments**

1. The procedure referred to in Article 28(3) of this Annex 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 set out in Article 18 of this Annex.

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 of this Annex 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 of this Annex;

 - (b) the declarant does not reply within the time period allowed for provision of the information referred to in paragraph 1 of this Article.

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 deemed necessary.

▼ C2*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) of this Annex, 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; or
- (e) the conditions of Article 18 of this Annex 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 of this Annex 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) of this Annex were not met; or
- (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
 - (i) have received no reply within the time period permitted in accordance with Article 43 of this Annex; or
 - (ii) have received a reply not providing adequate answers to the questions raised in the request.

TITLE V

ARRANGEMENTS FOR ADMINISTRATIVE COOPERATION*SECTION 1****General requirements****Article 36***General principles**

1. In order to ensure the proper application of the preferences, OCTs shall:

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- (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 of this Article 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 of this Annex, 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 have met the conditions referred to in Article 39 of this Annex. The Commission shall update that list when a new OCT fulfils the same conditions.

2. Products originating 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 of this Annex on the date on which it has:

- (a) made the notification referred to in Article 39(1) of this Annex, and

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- (b) submitted the undertaking referred to in Article 36(3) of this Annex.

*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 REX system****Article 39***Communication of names and addresses of competent authorities of the OCTs**

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 cooperation 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***Access rights to and publication of data from the REX system**

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:
 - (a) the number of the registered exporter;
 - (b) the date of registration of the registered exporter;

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- (c) the date from which the registration is valid;
- (d) the date of the revocation of the registration where applicable.

4. The Commission shall make the following data available to the public if the exporter has consented thereto 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 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.

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

Article 41

Protection of data in the REX system

1. The data registered by the competent authorities of the OCTs in the REX system shall be processed solely for the purposes of this Annex.
2. Registered exporters shall be provided with the information laid down in Articles 14 to 16 of Regulation (EU) 2018/1725 of the European Parliament and of the Council⁽¹⁾ or Articles 12 to 14 of Regulation (EU) 2016/679 of the European Parliament and of the Council⁽²⁾, as applicable.

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

⁽¹⁾ Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC (OJ L 295, 21.11.2018, p. 39).

⁽²⁾ 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).

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

The Commission shall be considered to be 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 to this Annex 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 to which they have access shall keep those 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 (EU) 2018/1725.

7. Any request by a registered exporter to exercise the right of access, rectification, erasure or blocking of data in accordance with Regulation (EU) 2018/1725 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 its respective competence, shall, as necessary:

- (a) cooperate and ensure coordinated supervision of the registration data;
- (b) exchange relevant information;
- (c) assist each other in carrying out audits and inspections;
- (d) examine difficulties of interpretation or application of this Annex;
- (e) study problems with the exercise of independent supervision or in the exercise of the rights of data subjects;
- (f) draw up harmonised proposals for joint solutions to any problems;
and

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- (g) promote awareness of data protection rights.

*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 six-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 of the OCT concerned. This communication shall set a further deadline of not more than six months.

▼ C2*Article 44***Verification of suppliers' declarations**

1. Verification of suppliers' declaration referred to in Article 27 of this Annex 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 is set out 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 purposes of verification, suppliers shall keep for at least 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 invalid.

*Article 45***Other provisions**

1. This Section and Section 2 of Title IV shall apply *mutatis mutandis* to:

- (a) exports from the Union to an OCT for the purposes of bilateral cumulation as provided for in Article 7 of this Annex.
- (b) exports from one OCT to another for the purposes of OCT cumulation as provided for in Article 2(2) of this Annex.
- (c) exports from the Union to an OCT when this OCT grants unilaterally a preferential tariff treatment to a product originating in the Union, in accordance with this Annex.

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2. In the cases referred to in points (a) and (c) of paragraph 1 of this Article, exporters shall be registered in the Union in accordance with Article 68 of Implementing Regulation (EU) 2015/2447.

TITLE VI

CEUTA AND MELILLA*Article 46***Ceuta and Melilla**

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 to be a single territory.
3. The Spanish customs authorities shall be responsible for the application of this Annex in Ceuta and Melilla.

TITLE VII

FINAL PROVISIONS*Article 47***Committee procedure**

1. The Commission shall be assisted by the Customs Code Committee established by Article 285 of Regulation (EU) No 952/2013. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.
2. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.
3. Where the opinion of the committee is to be obtained by written procedure and reference is made to this paragraph, that procedure shall be terminated without result when, within the time-limit for delivery of the opinion, the chair of the committee so decides.

▼ C2*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 of this Annex 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 heading or 6-digit subheading of the manufactured products becomes different from the 4-digit heading or 6-digit subheading 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 subheading number, as appropriate. Column 2 gives the description of goods used in the Harmonized 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 headings or subheadings 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 Harmonized System, are classified in headings of the chapter or in any of the headings or subheadings 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) of this Annex, 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.

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- 3.2. Pursuant to Article 5 of this Annex, the working or processing carried out must go beyond the list of operations referred to 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 Article 5 of this Annex, 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.

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- 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;

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- 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.

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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⁽¹⁾;
 - (c) cracking;
 - (d) reforming;
 - (e) extraction by means of selective solvents;

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

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- (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.

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 ⁽¹⁾;
- (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;
- (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;

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

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- (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

Harmonized System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
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
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

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Harmonized System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
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"> — all the materials of Chapter 4 used are wholly obtained; and — the weight of sugar ⁽¹⁾ used does not exceed 40 % of the weight of the final product
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
Chapter 8	Edible fruit and nuts; peel of citrus fruits or melons	Manufacture in which: <ul style="list-style-type: none"> — all the fruit, nuts and peels of citrus fruits or melons of Chapter 8 used are wholly obtained, and — the weight of sugar ⁽¹⁾ used does not exceed 40 % of the weight of the final product
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 subheading 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 ⁽¹⁾ 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

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Harmonized 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 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 subheading, 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
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: — 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 — 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
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

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Harmonized 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	Manufacture from materials of any heading, except that of the product, in which: <ul style="list-style-type: none"> — the individual weight of sugar ⁽¹⁾ and of the materials of Chapter 4 used does not exceed 40 % of the weight of the final product, and — the total combined weight of sugar ⁽¹⁾ and the materials of Chapter 4 used does not exceed 60 % of the weight of final product
Chapter 18	Cocoa and cocoa preparations	Manufacture from materials of any heading, except that of the product, in which: <ul style="list-style-type: none"> — the individual weight of sugar ⁽¹⁾ and of the materials of Chapter 4 used does not exceed 40 % of the weight of the final product, and — the total combined weight of sugar ⁽¹⁾ and the materials of Chapter 4 used does not exceed 60 % of the weight of final product
Chapter 19	Preparations of cereals, flour, starch or milk; pastrycooks' products	Manufacture from materials of any heading, except that of the product, in which: <ul style="list-style-type: none"> — the weight of the materials of Chapters 2, 3 and 16 used does not exceed 20 % of the weight of the final product, and — 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 — the individual weight of sugar ⁽¹⁾ and of the materials of Chapter 4 used does not exceed 40 % of the weight of the final product, and — the total combined weight of sugar ⁽¹⁾ and the materials of Chapter 4 used does not exceed 60 % of the weight of final product
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 ⁽¹⁾ 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"> — the individual weight of sugar ⁽¹⁾ and of the materials of Chapter 4 used does not exceed 40 % of the weight of the final product, and — the total combined weight of sugar ⁽¹⁾ and the materials of Chapter 4 used does not exceed 60 % of the weight of final product

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Harmonized System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
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"> — all the materials of subheadings 0806 10, 2009 61, 2009 69 used are wholly obtained, and — the individual weight of sugar ⁽¹⁾ and of the materials of Chapter 4 used does not exceed 40 % of the weight of the final product, and — the total combined weight of sugar ⁽¹⁾ and the materials of Chapter 4 used does not exceed 60 % of the weight of final product
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
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	Manufacture from materials of any heading, except that of the product, in which: <ul style="list-style-type: none"> — all the materials of Chapters 2 and 3 used are wholly obtained, and — 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 — the individual weight of sugar ⁽¹⁾ and of the materials of Chapter 4 used does not exceed 40 % of the weight of the final product, and — the total combined weight of sugar ⁽¹⁾ and the materials of Chapter 4 used does not exceed 60 % of the weight of final product
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	Unmanufactured tobacco; tobacco refuse	All unmanufactured tobacco and tobacco refuse of Chapter 24 is wholly obtained
2402	Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes	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

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Harmonized 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 25	Salt; sulphur; earths and stone; plastering materials, lime and cement; 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 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 or 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) ⁽²⁾ or 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
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) ⁽²⁾ or 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) ⁽²⁾ or 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

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Harmonized System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
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) ⁽³⁾ or 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
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) ⁽²⁾ or 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 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 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 or 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 or Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product

▼ C2

Harmonized System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
2905 43; 2905 44; 2905 45	Mannitol; D-glucitol (sorbitol); Glycerol	Manufacture from materials of any subheading, except that of the product. However, materials of the same subheading 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
Chapter 30	Pharmaceutical products	Manufacture from materials of any heading
Chapter 31	Fertilisers	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 or Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product
Chapter 32	Tanning or dyeing extracts; tannins and their derivatives; dyes, pigments and other colouring matter; paints and varnishes; putty and other mastics; inks	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 or Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product
Chapter 33	Essential oils and resinoids; perfumery, cosmetic or toilet preparations; 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 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 34	Soap, organic surface-active agents, washing preparations, lubricating preparations, artificial waxes, prepared waxes, polishing or scouring preparations, candles and similar articles, modelling pastes, 'dental waxes' and dental preparations with a basis of plaster, except for:	Manufacture 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 or Manufacture in which the value of all the materials used does not exceed 70 % of the ex-works price of the product

▼ C2

Harmonized 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 or 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 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 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 or Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product
3824 60	Sorbitol other than that of subheading 2905 44	Manufacture from materials of any subheading, except that of the product and except materials of subheading 2905 44. However, materials of the same subheading 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

▼ C2

Harmonized 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 39	Plastics and articles 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 50 % of the ex-works price of the product
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 ⁽⁴⁾ or 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 or Manufacture from polycarbonate of tetrabromo-(bisphenol A) 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 40	Rubber and articles 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
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 or Manufacture in which the value of all the materials used does not exceed 70 % of the ex-works price of the product
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

▼ C2

Harmonized System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
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
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 subheadings 4104 11, 4104 19, 4105 10, 4106 21, 4106 31 or 4106 91, or 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 subheadings 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 or 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 or 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:	

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Harmonized System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
	— Plates, crosses and similar forms	Bleaching or dyeing, in addition to cutting and assembly of non-assembled tanned or dressed furskins
	— Other	Manufacture from non-assembled, tanned or dressed furskins
4303	Articles of apparel, clothing accessories and other articles of furskin	Manufacture from non-assembled tanned or dressed furskins of heading 4302
ex Chapter 44	Wood and articles of wood; wood charcoal; 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 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
	— 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

▼ C2

Harmonized System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
Chapter 45	Cork and articles of cork	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
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 or 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 or 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 or 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 or 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
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 (*)

▼ C2

Harmonized System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
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 or Weaving accompanied by dyeing 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 ⁽⁵⁾
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 ⁽⁵⁾
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 or Weaving accompanied by dyeing 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 ⁽⁵⁾
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 ⁽⁵⁾

▼ C2

Harmonized System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
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 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 ⁽⁵⁾
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 ⁽⁵⁾
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 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 ⁽⁵⁾
5401 to 5406	Yarn, monofilament and thread of man-made filaments	Extrusion of man-made fibres accompanied by spinning or spinning of natural fibres ⁽⁵⁾
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

▼ C2

Harmonized System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
		<p>or</p> <p>Twisting or texturing accompanied by weaving 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</p> <p>or</p> <p>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 ⁽⁵⁾</p>
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 ⁽⁵⁾
5512 to 5516	Woven fabrics of man-made staple fibres:	<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>Weaving accompanied by dyeing or by coating</p> <p>or</p> <p>Yarn dyeing accompanied by weaving</p> <p>or</p> <p>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 ⁽⁵⁾</p>
ex Chapter 56	Wadding, felt and non-wovens; special yarns; twine, cordage, ropes and cables and articles thereof; except for:	<p>Extrusion of man-made fibres accompanied by spinning or spinning of natural fibres</p> <p>or</p> <p>Flocking accompanied by dyeing or printing ⁽⁵⁾</p>
5602	Felt, whether or not impregnated, coated, covered or laminated:	
	— Needleloom felt	Extrusion of man-made fibres accompanied by fabric formation,

▼ C2

Harmonized System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
		<p>However:</p> <ul style="list-style-type: none"> — 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 <p>or</p> <p>Fabric formation alone in the case of felt made from natural fibres ⁽⁵⁾</p>
	— Other	<p>Extrusion of man-made fibres accompanied by fabric formation,</p> <p>or</p> <p>Fabric formation alone in the case of other felt made from natural fibres ⁽⁵⁾</p>
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
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 ⁽⁵⁾
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 ⁽⁵⁾
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	<p>Extrusion of man-made fibres accompanied by spinning or spinning of natural and/or man-made staple fibres</p> <p>or</p> <p>Spinning accompanied with flocking</p> <p>or</p> <p>Flocking accompanied by dyeing ⁽⁵⁾</p>

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Harmonized 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 ⁽⁵⁾</p> <p>However:</p> <ul style="list-style-type: none"> — polypropylene filament of heading 5402, — polypropylene fibres of heading 5503 or 5506, or — polypropylene filament tow of heading 5501, <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>
ex Chapter 58	Special woven fabrics; tufted textile fabrics; lace; tapestries; trimmings; embroidery; except for:	<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>Weaving accompanied by dyeing or flocking or coating</p> <p>or</p> <p>Flocking accompanied by dyeing or by printing</p> <p>or</p> <p>Yarn dyeing accompanied by weaving</p> <p>or</p> <p>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 ⁽⁵⁾</p>

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Harmonized System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
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
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, calendaring, 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 (5)
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

▼ C2

Harmonized System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
		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 ⁽⁵⁾
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 ⁽⁵⁾
	— Other fabrics made of synthetic filament yarn, containing more than 90 % by weight of textile materials	Extrusion of man-made fibres accompanied by weaving
	— 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, 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

▼ C2

Harmonized System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
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
	— 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 or Weaving accompanied by dyeing or coating Only the following fibres may be used: — coir yarn — yarn of polytetrafluoroethylene ⁽⁶²⁾ , — 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 ⁽⁶²⁾ , — yarn of synthetic textile fibres of poly(<i>p</i> -phenylene terephthalamide), — glass fibre yarn, coated with phenol resin and gimped with acrylic yarn ⁽⁶²⁾ , — 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 ⁽⁵⁾ or Weaving accompanied by dyeing or coating	
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

▼ C2

Harmonized System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
		<p>or</p> <p>Knitting accompanied by dyeing or by flocking or by coating</p> <p>or</p> <p>Flocking accompanied by dyeing or by printing</p> <p>or</p> <p>Dyeing of yarn of natural fibres accompanied by knitting</p> <p>or</p> <p>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</p>
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) ⁽⁵⁾ ⁽⁷⁾
	— Other	<p>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)</p> <p>or</p> <p>Dyeing of yarn of natural fibres accompanied by knitting (knitted to shape products) ⁽⁵⁾</p>
ex Chapter 62	Articles of apparel and clothing accessories, not knitted or crocheted; except for:	<p>Weaving accompanied by making-up (including cutting)</p> <p>or</p> <p>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 ⁽⁵⁾ ⁽⁷⁾</p>
ex 6202, ex 6204, ex 6206, ex 6209 and ex 6211	Women's, girls' and babies' clothing and clothing accessories for babies, embroidered	<p>Weaving accompanied by making-up (including cutting)</p> <p>or</p> <p>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 ⁽⁷⁾</p>

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Harmonized System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
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) ⁽⁷⁾
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) ⁽⁵⁾ ⁽⁷⁾
	— 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) ⁽⁵⁾
6213 and 6214	Handkerchiefs, shawls, scarves, mufflers, mantillas, veils and the like:	
	— 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 ⁽⁷⁾ 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 ⁽⁵⁾ ⁽⁷⁾

▼ C2

Harmonized 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 making-up (including cutting) or 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 ⁽⁵⁾ ⁽⁷⁾
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 ⁽⁷⁾
	— 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) ⁽⁷⁾
	— 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) ⁽⁷⁾
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

▼ C2

Harmonized System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
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) ⁽⁵⁾
	— Other:	
	— Embroidered	Weaving or knitting accompanied by making-up (including cutting) ⁽⁷⁾ 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 ⁽⁷⁾
	— 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) ⁽⁵⁾
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) ⁽⁵⁾ ⁽⁷⁾ 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
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

▼ C2

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

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Harmonized 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 70	Glass and glassware, 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
7006	Glass of heading 7003, 7004 or 7005, bent, edge-worked, engraved, drilled,	
	— Glass-plate substrates, coated with a dielectric thin film, and of a semiconductor grade in accordance with SEMII-standards ⁽⁸⁾	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 or 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 or 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 or 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 or Manufacture in which the value of all the materials used does not exceed 70 % of the ex-works price of the product
7106, 7108 and 7110	Precious metals:	
	— Unwrought	Manufacture from materials of any heading, except those of headings 7106, 7108 and 7110 or

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Harmonized System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
		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 or 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
7218 91 and 7218 99	Semi-finished products	Manufacture from materials of heading 7201, 7202, 7203, 7204, 7205 or subheading 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 subheading 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

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Harmonized System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
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
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

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Harmonized 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 Harmonized 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 or 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
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

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Harmonized System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
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 or 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
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 or 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

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Harmonized 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 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 or Manufacture in which the value of all the materials used does not exceed 70 % of the ex-works price of the product
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 or 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 or 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 or 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 or 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
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 or Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product

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Harmonized System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
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 or 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 or 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 or Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product
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	Manufacture from materials of any heading, except that of the product and of heading 8538 or Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product
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	Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product or 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

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Harmonized System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
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
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
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

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Harmonized 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 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
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 or 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

▼ C2

Harmonized 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 or 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 or 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 or Manufacture in which the value of all the materials used does not exceed 70 % of the ex-works price of the product
9601 and 9602	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). 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	Manufacture from materials of any heading
9603	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)	Manufacture in which the value of all the materials used does not exceed 70 % of the ex-works price of the product

▼ C2

Harmonized System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
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: <ul style="list-style-type: none"> — 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: <ul style="list-style-type: none"> — 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
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

(1) See Introductory Note 4.2.

(2) For the special conditions relating to 'specific processes', see Introductory Notes 8.1 and 8.3.

(3) For the special conditions relating to 'specific processes', see Introductory Note 8.2.

(4) 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.

(5) For special conditions relating to products made of a mixture of textile materials, see Introductory Note 6.

(6) The use of this material is restricted to the manufacture of woven fabrics of a kind used in paper-making machinery.

(7) See Introductory Note 7.

(8) SEMII – Semiconductor Equipment and Materials Institute Incorporated.

▼ C2*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**7. **REASONS WHY THE RULE OF ORIGIN FOR THE FINISHED PRODUCT CANNOT BE FULFILLED**8. **DURATION REQUESTED FOR DEROGATION**9. **POSSIBLE DEVELOPMENTS TO OVERCOME THE NEED FOR A DEROGATION**

▼ C2

10. INFORMATION ABOUT THE COMPANY

Capital structure of the firm concerned / Amount of investments made or foreseen / Staff employed or expected to be employed
--

▼ C2*Appendix III*

APPLICATION TO BECOME A REGISTERED EXPORTER

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

<p>1. Exporter's name, full address and country, contact details, TIN</p>
<p>2. Additional contact details including telephone and fax number as well as e-mail address where available (optional)</p>
<p>3. Specify whether your main activity is producing or trading.</p>
<p>4. Indicative description of goods which qualify for preferential treatment, including indicative list of Harmonized System headings (or chapters where goods traded fall within more than twenty Harmonized System headings).</p>
<p>5. Undertaking by exporter The undersigned hereby:</p> <ul style="list-style-type: none"> — 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. <p>_____</p> <p>Place, date, signature of authorised signatory, name and job title ⁽¹⁾</p>
<p>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.</p> <p>_____</p> <p>Place, date, signature of authorised signatory, name and job title ⁽¹⁾</p>

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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** ⁽¹⁾

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 (EU) 2018/1725 of the European Parliament and of the Council ⁽²⁾ applies. Where the competent authorities of an OCT implement Regulation (EU) 2016/679 of the European Parliament and of the Council ⁽³⁾, 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 purposes of Council Decision 2013/755/EU ⁽⁴⁾. The Regulations referred to in point 1 constitute the legal basis for processing personal data in respect of the application to become a registered exporter.
 3. The competent authority of 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 of the OCTs 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 the 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 Regulations (EU) 2018/1725 or (EU) 2016/679, as applicable. 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 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 of the OCTs 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.
- ⁽²⁾ Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC (OJ L 295, 21.11.2018, p. 39).
- ⁽³⁾ 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).
- ⁽⁴⁾ Council Decision 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).

▼ C2*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

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 ⁽¹⁾) des produits couverts par le présent document déclare que, sauf indication claire du contraire, ces produits ont l'origine préférentielle ... ⁽²⁾ 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 ... ⁽³⁾

English version

The exporter (number of registered exporter – unless the value of the consigned originating products does not exceed EUR 10 000 ⁽¹⁾) of the products covered by this document declares that, except where otherwise clearly indicated, these products are of ... preferential origin ⁽²⁾ according to rules of origin of the Decision on the association of the overseas countries and territories and that the origin criterion met is ... ⁽³⁾

⁽¹⁾ 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]'.

⁽²⁾ 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 of this Annex, the exporter must clearly indicate those products in the document on which the statement is made out by means of the symbol 'CM'.

⁽³⁾ 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 ('Harmonized 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) for cumulation under Article 2(2) of this Annex or bilateral cumulation under Article 7 of this Annex: 'EU cumulation' or 'cumul UE'; 'OCT cumulation' or 'cumul PTOM';
- (b) for cumulation with an EPA country under Article 8 of this Annex: 'cumulation with EPA country [name of the country]' or 'cumul avec le pays APE [nom du pays]';
- (c) for cumulation with a GSP country under Article 9 of this Annex: 'cumulation with GSP country [name of the country]' or 'cumul avec le pays SPG [nom du pays]';
- (d) for cumulation with a country with which the Union has a free-trade agreement under Article 10 of this Annex: 'extended cumulation with country [name of the country]' or 'cumul étendu avec le pays [nom du pays]'.

▼ C2*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) of this Annex), 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] [EPA country] [OCT]', to be added with a description
of the processing carried out if this information is required.

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- (7) Place and date. For a long-term supplier's declaration as referred to in Article 27(2) of this Annex, the following sentence shall be added: 'This declaration is valid for all shipments of these goods dispatched from to'.
- (8) Name and function in company.
- (9) Signature.

▼ C2*Appendix VI*

INFORMATION CERTIFICATE

1. The information certificate set out in this Appendix 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 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 297 mm, a tolerance of up to plus 8 mm or minus 5 mm in the length may be allowed. The paper must be white, sized for writing, not containing mechanical pulp and weighing not less than 25 g/m².
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.

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

▼ C2

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

CROSS REFERENCES

- (1) Name of individual or business and full address.
- (2) Optional information.
- (3) Kg, hl, m³ or other measure.
- (4) Packaging shall be considered to form 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 VII***TEMPORARY WITHDRAWAL OF PREFERENCES***Article 1***Principles concerning the withdrawal of preferences**

1. The preferential arrangements provided for under Article 43 of this Decision may be withdrawn temporarily, in respect of all or of certain products originating in an OCTs, 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 VI as required for the implementation and policing of the arrangements referred to in Articles 43 to 49 of this Decision.

2. The administrative cooperation referred to in paragraph 1 requires, *inter alia*, that an OCTs:

- (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 43 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 VI;
- (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 OCTs's 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:

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- (a) consulted the Committee referred to in Article 10 of Annex VIII in accordance with the procedure referred to in Article 3(2) of this Annex;
- (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 OCTs(s) 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 10 of Annex VIII.

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 10 of Annex VIII 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.

*Article 3***Committee procedure**

1. For the purpose of the implementation of Article 2 of this Annex, the Commission shall be assisted by the Committee referred to in Article 10 of Annex VIII.
2. When reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.

*ANNEX VIII***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 OCTs referred to in Article 43 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 OCTs 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

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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 OCTs 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 OCTs 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.

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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 OCTs concerned in writing of the initiation of an investigation.

*Article 5***Prior surveillance measures**

1. The products originating in the OCTs referred to in Article 43 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 10 of this Annex.

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 OCTs authorities shall ensure the effectiveness of the surveillance measures by introducing the methods of administrative cooperation set out in Annexes VI and VII.

*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 10 of this Annex. 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 10 of this Annex.

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 OCTs 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.

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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.

*Article 10***Committee procedure**

1. The Commission shall be assisted by the Committee established by Article 4(1) of Council Regulation (EC) No 260/2009 ⁽¹⁾. That Committee shall be a Committee within the meaning of Regulation (EU) No 182/2011.
2. Where reference is made to this paragraph, Article 4 of Regulation (EU) No 182/2011 shall apply.
3. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.
4. Where reference is made to this paragraph, Article 8 of Regulation (EU) No 182/2011, in conjunction with Article 4 thereof, shall apply.

⁽¹⁾ Council Regulation (EC) No 260/2009 of 26 February 2009 on the common rules for imports (OJ L 84, 31.3.2009, p. 1).