

ANNEX II

Rules of origin CONCERNING THE DEFINITION OF THE CONCEPT OF 'ORIGINATING PRODUCTS' AND METHODS OF ADMINISTRATIVE COOPERATION

TITLE I

GENERAL PROVISIONS*Article 1***Definitions**

For the purposes of this Annex, the following definitions apply:

- (a) 'manufacture' means any kind of working or processing including assembly or specific operations;
- (b) 'material' means any ingredient, raw material, component or part, etc., used in the manufacture of the product;
- (c) 'product' means the product being manufactured, even if it is intended for later use in another manufacturing operation;
- (d) 'goods' means both materials and products;
- (e) 'customs value' means the value as determined in accordance with the Agreement on implementation of Article VII of the GATT 1994 (WTO Agreement on customs valuation);
- (f) 'ex-works price' means the price paid for the product ex works to the manufacturer in whose undertaking the last working or processing is carried out, provided the price includes the value of all the materials used, minus any internal taxes which are, or may be, repaid when the product obtained is exported;
- (g) 'value of materials' means the customs value at the time of importation of the non-originating materials used, or, if this is not known and cannot be ascertained, the first ascertainable price paid for the materials in the territory concerned;
- (h) 'value of originating materials' means the value of such materials as defined in point (g) applied *mutatis mutandis*;
- (i) 'added value' means the ex-works price minus the customs value of materials imported into either the Union or the ACP States;
- (j) 'chapters' and 'headings' mean the chapters and the headings (four-digit codes) used in the nomenclature which makes up the Harmonised Commodity Description and Coding System, referred to in this Annex as 'the Harmonised System' or 'HS';
- (k) 'classified' refers to the classification of a product or material under a particular heading;
- (l) 'consignment' means products which are either sent simultaneously from one exporter to one consignee or covered by a single transport document covering their shipment

from the exporter to the consignee or, in the absence of such a document, by a single invoice;

- (m) ‘territories’ means territories, including territorial waters;
- (n) ‘OCT’ means the overseas countries and territories as defined in Appendix 12.

TITLE II

DEFINITION OF THE CONCEPT OF ‘ORIGINATING PRODUCTS’

Article 2

General requirements

- 1 For the purposes of this Regulation, the following products shall be considered as originating in the ACP States listed in Annex I, hereinafter, for the purpose of this Annex, referred to as ‘ACP States’:
- 2 For the purpose of the implementation of paragraph 1, the territories of the ACP States shall be considered as being one territory.
- 3 For products listed in Appendix 10, paragraph 2 shall apply only after 1 October 2015.

Article 3

Wholly obtained products

- 1 The following shall be considered as wholly obtained in the ACP States or in the Union:
- 2 The terms ‘their vessels’ and ‘their factory ships’ in points (g) and (h) of paragraph 1 shall apply only to vessels and factory ships which:
- 3 Notwithstanding paragraph 2, the Union shall, upon request by an ACP State, recognise vessels chartered or leased by the ACP State to undertake fisheries activities in its exclusive economic zone as ‘their vessels’ under the following conditions:

Article 4

Sufficiently worked or processed products

- 1 For the purposes of this Annex, products which are not wholly obtained shall be considered to be sufficiently worked or processed in the ACP States or in the Union, when the conditions set out in the list in Appendix 2 or in Appendix 2A are fulfilled. Those conditions indicate, for all products covered by this Regulation, the working or processing which must be carried out on non-originating materials used in manufacturing and apply only in relation to such materials. Accordingly, it follows that if a product, which has acquired originating status by fulfilling the conditions set out in the list is used in the manufacture of another product, the conditions applicable to the product in which it is incorporated do not apply to it, and no account shall be taken of the non-originating materials which may have been used in its manufacture.

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

3

4 Paragraphs 1, 2 and 3 shall apply except as provided for in Article 5.

Article 5

Insufficient working or processing operations

1 Without prejudice to paragraph 2, the following operations shall be considered as insufficient working or processing to confer the status of originating products, whether or not the requirements of Article 4 are satisfied:

2 All the operations carried out in either the ACP States or the Union on a given product shall be considered together when determining whether the working or processing undergone by that product is to be regarded as insufficient within the meaning of paragraph 1.

Article 6

Cumulation of origin

Cumulation with the OCT and the Union

1 Materials originating in the Union or in the OCT shall be considered as materials originating in the ACP States when incorporated into a product obtained there. It shall not be necessary for such materials to have undergone sufficient working or processing, provided they have undergone working or processing beyond that referred to in Article 5.

2 Working and processing carried out in the Union or in the OCT shall be considered as having been carried out in the ACP States when the materials undergo subsequent working or processing in the ACP States beyond that referred to in Article 5.

3 For the purpose of determining whether the products originate in the OCT, the provisions of this Annex shall apply *mutatis mutandis*.

4 For products listed in Appendix 10, the provisions of this Article shall apply only after 1 October 2015.

Cumulation with South Africa

5 Subject to the provisions of paragraphs 6, 7, 8 and 11, materials originating in South Africa shall be considered as originating in the ACP States when incorporated into a product obtained there provided they have undergone working or processing beyond that referred to in Article 5. It shall not be necessary for such materials to have undergone sufficient working or processing.

6 Products which have acquired originating status by virtue of paragraph 5 shall continue to be considered as products originating in the ACP States only when the value added there exceeds the value of the materials used that originate in South Africa. If that is not so, the products concerned shall be considered as originating in South Africa. In the allocation of origin, no account shall be taken of materials originating in South Africa which have undergone sufficient working or processing in the ACP States.

7 The cumulation provided for in paragraph 5 shall not apply to the products listed in Appendices 7, 10 and 11.

8 The cumulation provided for in paragraph 5 shall apply to the products listed in Appendix 8 only when the tariffs on those products in the framework of the TDCA have been eliminated. The Commission shall publish the date on which the conditions of this paragraph have been fulfilled in the *Official Journal of the European Union* (C series).

9 Without prejudice to paragraphs 7 and 8, working and processing carried out in South Africa shall be considered as having been carried out in another Member State of the South African Customs Union (SACU), being an ACP State, when the materials undergo subsequent working or processing in that other Member State of the SACU.

10 Without prejudice to paragraphs 7 and 8 and at the request of the ACP States, working and processing carried out in South Africa shall be considered as having been carried out in the ACP States when the materials undergo subsequent working or processing in an ACP State within the context of a regional economic integration agreement.

11 The requests of the ACP States shall be decided on in accordance with the examination procedure referred to in Article 19(5) of this Regulation.

12 The cumulation provided for in paragraph 5 may be applied only where the South African materials used have acquired the status of originating products through the application of rules of origin identical to those set out in this Annex. The cumulation provided for in paragraphs 9 and 10 may be applied only through the application of rules of origin identical to those set out in this Annex.

Cumulation with neighbouring developing countries

13 At the request of the ACP States, materials originating in a neighbouring developing country, other than an ACP State, belonging to a coherent geographical entity, shall be considered as materials originating in the ACP States when incorporated into a product obtained there. It shall not be necessary for such materials to have undergone sufficient working or processing, provided that:

Article 7

Unit of qualification

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

2 Where, under General Rule 5 of the Harmonised System, packaging is included with the product for classification purposes, it shall be included for the purposes of determining origin.

Article 8

Accessories, spare parts and tools

Accessories, spare parts and tools dispatched with a piece of equipment, machine, apparatus or vehicle, which are part of the normal equipment and included in the price thereof or which

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

Article 9

Sets

Sets, as defined in General Rule 3 of the Harmonised System, shall be regarded as originating when all the component products are originating. Nevertheless, when a set is composed of originating and non-originating products, the set as a whole shall be regarded as originating, provided that the value of the non-originating products does not exceed 15 % of the ex-works price of the set.

Article 10

Neutral elements

In order to determine whether a product is an originating product, it shall not be necessary to determine the origin of the following which might be used in its manufacture:

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

TITLE III

TERRITORIAL REQUIREMENTS

Article 11

Principle of territoriality

1 Except as provided for in Article 6, the conditions for acquiring originating status set out in Title II shall be fulfilled without interruption in the ACP States.

2 Except as provided for in Article 6, if originating goods exported from the ACP States, the Union or the OCT to another country return, they shall be considered as non-originating, unless it can be demonstrated to the satisfaction of the customs authorities that:

Article 12

Direct transport

1 The preferential treatment provided for in this Regulation shall apply only to products that satisfy the requirements of this Annex and are transported directly between the territory of the ACP States, of the Union, of the OCT or of South Africa for the purposes of Article 6

without entering any other territory. However, products constituting one single consignment may be transported through other territories with, should the occasion arise, transshipment or temporary warehousing in such territories, provided that they remain under the surveillance of the customs authorities in the country of transit or warehousing and do not undergo operations other than unloading, reloading or any operation designed to preserve them in good condition.

2 Evidence that the conditions set out in paragraph 1 have been fulfilled shall be supplied to the customs authorities of the importing country by the production of:

Article 13

Exhibitions

1 Originating products sent from an ACP State for exhibition in a country or a territory other than those referred to in Article 6 and sold after the exhibition for importation into the Union shall benefit on importation from the provisions of this Regulation provided it is shown to the satisfaction of the customs authorities that:

2 A proof of origin shall be issued or made out in accordance with the provisions of Title IV and submitted to the customs authorities of the importing country in the normal manner. The name and address of the exhibition shall be indicated thereon. Where necessary, additional documentary evidence of the conditions under which they have been exhibited may be required.

3 Paragraph 1 shall apply to any trade, industrial, agricultural or crafts exhibition, fair or similar public show or display which is not organised for private purposes in shops or business premises with a view to the sale of foreign products and during which the products remain under customs control.

TITLE IV

PROOF OF ORIGIN

Article 14

General requirements

1 Products originating in the ACP States shall, on importation into the Union, benefit from the provisions of this Regulation upon submission of either:

2 Notwithstanding paragraph 1, originating products within the meaning of this Annex shall, in the cases specified in Article 25, benefit from the provisions of this Regulation without it being necessary to submit any of the documents referred to in that paragraph.

Article 15

Procedure for the issue of a movement certificate EUR.1

1 A movement certificate EUR.1 shall be issued by the customs authorities of the exporting country on application having been made in writing by the exporter or, under the exporter's responsibility, by the authorised representative of the exporter.

2 For that purpose, the exporter or the authorised representative of the exporter shall fill out both the movement certificate EUR.1 and the application form, specimens of which appear in Appendix 3. Those forms shall be completed in accordance with the provisions of this Annex. If they are handwritten, they shall be completed in ink in printed characters. The description of the products shall be given in the box reserved for that purpose without leaving any blank lines. Where the box is not completely filled, a horizontal line shall be drawn below the last line of the description, the empty space being crossed through.

3 The exporter applying for the issue of a movement certificate EUR.1 shall be prepared to submit at any time, at the request of the customs authorities of the exporting ACP State where the movement certificate EUR.1 is issued, all appropriate documents proving the originating status of the products concerned as well as the fulfilment of the other requirements of this Annex.

4 A movement certificate EUR.1 shall be issued by the customs authorities of the exporting ACP State if the products concerned can be considered as products originating in the ACP States or in one of the other countries or territories referred to in Article 6 and fulfil the other requirements of this Annex.

5 The issuing customs authorities shall take any steps necessary to verify the originating status of the products and the fulfilment of the other requirements of this Annex. For that purpose they shall have the right to call for any evidence and to carry out any inspection of the exporter's accounts or any other check considered appropriate. The issuing customs authorities shall also ensure that the forms referred to in paragraph 2 are duly completed. In particular, they shall check whether the space reserved for the description of the products has been completed in such a manner as to exclude all possibility of fraudulent additions.

6 The date of issue of the movement certificate EUR.1 shall be indicated in box 11 of the certificate.

7 A movement certificate EUR.1 shall be issued by the customs authorities and made available to the exporter as soon as actual exportation has been effected or ensured.

Article 16

Movement certificates EUR.1 issued retrospectively

1 Notwithstanding Article 15(7), a movement certificate EUR.1 may exceptionally be issued after exportation of the products to which it relates if:

2 For the implementation of paragraph 1, the exporter shall indicate in the application the place and date of exportation of the products to which the movement certificate EUR.1 relates, and state the reasons for that request.

3 The customs authorities may issue a movement certificate EUR.1 retrospectively only after verifying that the information supplied in the exporter's application complies with that in the corresponding file.

4 Movement certificates EUR.1 issued retrospectively shall be endorsed with the following phrase:

5 The endorsement referred to in paragraph 4 shall be inserted in box 7 of the movement certificate EUR.1.

Article 17

Issue of a duplicate movement certificate EUR.1

1 In the event of theft, loss or destruction of a movement certificate EUR.1, the exporter may apply to the customs authorities which issued it for a duplicate made out on the basis of the export documents in their possession.

2 The duplicate issued in this way shall be endorsed with the following word:

3 The endorsement referred to in paragraph 2 shall be inserted in box 7 of the duplicate movement certificate EUR.1.

4 The duplicate, which shall bear the date of issue of the original movement certificate EUR.1, shall take effect as from that date.

Article 18

Issue of movement certificates EUR.1 on the basis of a proof of origin issued or made out previously

When originating products are placed under the control of a customs office in an ACP State or in the Union, it shall be possible to replace the original proof of origin by one or more movement certificates EUR.1 for the purpose of sending all or some of those products elsewhere within the ACP States or within the Union. The replacement movement certificate or certificates EUR.1 shall be issued by the customs office under whose control the products are placed.

Article 19

Conditions for making out an invoice declaration

1 An invoice declaration as referred to in point (b) of Article 14(1) may be made out:

2 An invoice declaration may be made out if the products concerned can be considered as products originating in the ACP States or in one of the other countries or territories referred to in Article 6 and fulfil the other requirements of this Annex.

3 The exporter making out an invoice declaration shall be prepared to submit at any time, at the request of the customs authorities of the exporting country, all appropriate documents proving the originating status of the products concerned as well as the fulfilment of the other requirements of this Annex.

4 An invoice declaration shall be made out by the exporter by typing, stamping or printing on the invoice the delivery note or another commercial document, the declaration, the text of which appears in Appendix 4 using one of the linguistic versions set out in that Appendix and in accordance with the provisions of the domestic law of the exporting country. If the declaration is handwritten, it shall be written in ink in printed characters.

5 Invoice declarations shall bear the original signature of the exporter in manuscript. However, an approved exporter within the meaning of Article 20 shall not be required to sign such declarations provided that he or she gives the customs authorities of the exporting country a written undertaking that he or she accepts full responsibility for any invoice declaration which identifies him or her as if it had been signed in manuscript by him or her.

6 An invoice declaration may be made out by the exporter when the products to which it relates are exported, or after exportation on condition that it is presented in the importing country no longer than two years after the importation of the products to which it relates.

Article 20

Approved exporter

1 The customs authorities of the exporting country may authorise any exporter who makes frequent shipments of products under the provisions of this Regulation to make out invoice declarations irrespective of the value of the products concerned. An exporter seeking such authorisation shall offer to the satisfaction of the customs authorities all guarantees necessary to verify the originating status of the products as well as the fulfilment of the other requirements of this Annex.

2 The customs authorities of the exporting country may grant the status of approved exporter subject to any conditions which they consider appropriate.

3 The customs authorities of the exporting country shall grant to the approved exporter a customs authorisation number which shall appear on the invoice declaration.

4 The customs authorities of the exporting country shall monitor the use of the authorisation by the approved exporter.

5 The customs authorities of the exporting country may withdraw the authorisation at any time. They shall do so where the approved exporter no longer offers the guarantees referred to in paragraph 1, does not fulfil the conditions referred to in paragraph 2 or otherwise makes incorrect use of the authorisation.

Article 21

Validity of proof of origin

1 A proof of origin shall be valid for ten months from the date of issue in the exporting country and shall be submitted within that period to the customs authorities of the importing country.

2 Proofs of origin which are submitted to the customs authorities of the importing country after the final date for presentation specified in paragraph 1 may be accepted for the purpose of applying preferential treatment where the failure to submit those documents by the final date set is due to exceptional circumstances.

3 In other cases of belated presentation, the customs authorities of the importing country may accept the proofs of origin where the products have been submitted before the final date.

Article 22

Transit procedure

When the products enter an ACP State other than the country of origin, a further period of validity of four months shall begin on the date on which the customs authorities in the country of transit enter the following in box 7 of the movement certificate EUR.1:

— the word ‘transit’,

- the name of the country of transit,
- the official stamp, a specimen of which had been made available to the Commission, in conformity with Article 31, and
- the date of the endorsements.

Article 23

Submission of proof of origin

Proofs of origin shall be submitted to the customs authorities of the importing country in accordance with the procedures applicable in that country. Those authorities may require a translation of a proof of origin and may also require the import declaration to be accompanied by a statement from the importer to the effect that the products meet the conditions required for the implementation of this Regulation.

Article 24

Importation by instalments

Where, at the request of the importer and on the conditions laid down by the customs authorities of the importing country, dismantled or non-assembled products within the meaning of General Rule 2(a) of the Harmonised System falling within Sections XVI and XVII or headings 7308 and 9406 of the Harmonised System are imported by instalments, a single proof of origin for such products shall be submitted to the customs authorities upon importation of the first instalment.

Article 25

Exemptions from proof of origin

1 Products sent as small packages from private persons to private persons or forming part of travellers' personal luggage shall be admitted as originating products without requiring the submission of a proof of origin, provided that such products are not imported by way of trade and have been declared as meeting the requirements of this Annex and where there is no doubt as to the veracity of such a declaration. In the case of products sent by post, that declaration can be made on the customs declaration CN22/CN23 or on a sheet of paper annexed to that document.

2 Imports which are occasional and consist solely of products for the personal use of the recipients or travellers or their families shall not be considered as imports by way of trade if it is evident from the nature and quantity of the products that no commercial purpose is in view.

3 Furthermore, the total value of those products shall not exceed EUR 500 in the case of small packages or EUR 1 200 in the case of products forming part of travellers' personal luggage.

Article 26

Information procedure for cumulation purposes

1 When Articles 2(2) and 6(1) are applied, evidence of the originating status within the meaning of this Annex of the materials coming from the other ACP States, the Union or the OCT shall be given by a movement certificate EUR.1 or by the supplier's declaration, a specimen

of which is given in Appendix 5A, given by the exporter in the State or OCT from which the materials came.

2 When Article 2(2) and Article 6(2) and (9) are applied, evidence of the working or processing carried out in other ACP States, the Union, the OCT or South Africa shall be given by the supplier's declaration, a specimen of which appears in Appendix 5B, given by the exporter in the State or OCT from which the materials came.

3 A separate supplier's declaration shall be given by the supplier for each consignment of material on the commercial invoice relating to that shipment or in an annex to that invoice, or on a delivery note or other commercial document relating to that shipment which describes the materials concerned in sufficient detail for them to be identified.

4 The supplier's declaration may be made out on a pre-printed form.

5 The suppliers' declarations shall be signed in manuscript. However, where the invoice and the supplier's declaration are established using electronic data-processing methods, the supplier's declaration need not be signed in manuscript provided the responsible official in the supplying company is identified to the satisfaction of the customs authorities in the State where the suppliers' declarations are drawn up. Those customs authorities may lay down conditions for the implementation of this paragraph.

6 The supplier's declarations shall be submitted to the competent customs office in the exporting ACP State that has been requested to issue the movement certificate EUR.1.

Article 27

Supporting documents

The documents referred to in Articles 15(3) and 19(3) used for the purpose of proving that products covered by a movement certificate EUR.1 or an invoice declaration can be considered as products originating in an ACP State or in one of the other countries or territories referred to in Article 6 and fulfil the other requirements of this Annex may consist inter alia of the following:

- (a) direct evidence of the processes carried out by the exporter or supplier to obtain the goods concerned, contained, for example, in the accounts or internal bookkeeping of the exporter or the supplier;
- (b) documents proving the originating status of materials used, issued or made out in an ACP State or in one of the other countries or territories referred to in Article 6 where those documents are used in accordance with domestic law;
- (c) documents proving the working or processing of materials in the ACP States, in the Union or in the OCT, issued or made out in an ACP State, in the Union or in an OCT, where those documents are used in accordance with domestic law;
- (d) movement certificates EUR.1 or invoice declarations proving the originating status of materials used, issued or made out in the ACP States or in one of the other countries or territories referred to in Article 6 and in accordance with this Annex.

Article 28

Preservation of proof of origin and supporting documents

1 The exporter applying for the issue of a movement certificate EUR.1 shall keep the documents referred to in Article 15(3) for at least three years.

2 The exporter making out an invoice declaration shall keep a copy of that invoice declaration as well as the documents referred to in Article 19(3) for at least three years.

3 The customs authorities of the exporting country issuing a movement certificate EUR.1 shall keep the application form referred to in Article 15(2) for at least three years.

4 The customs authorities of the importing country shall keep the movement certificates EUR.1 and the invoice declarations submitted to them for at least three years.

Article 29

Discrepancies and formal errors

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

2 Obvious formal errors such as typing errors on a proof of origin should not cause that document to be rejected if those errors are not such as to create doubts concerning the correctness of the statements made in that document.

Article 30

Amounts expressed in euro

1 For the application of Article 19(1)(b) and Article 25(3) in cases where products are invoiced in a currency other than euro, amounts in the national currencies of an ACP State, of the Member States and of the other countries or territories referred to in Article 6 equivalent to the amounts expressed in euro shall be fixed annually by each of the countries concerned.

2 A consignment shall benefit from the provisions of Article 19(1)(b) or Article 25(3) by reference to the currency in which the invoice is drawn up, according to the amount fixed by the country concerned.

3 The amounts to be used in any given national currency shall be the equivalent in that currency of the amounts expressed in euro as on the first working day of October 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 country may round up or down the amount resulting from the conversion of an amount expressed in euro into its national currency. The rounded-off amount may not differ from the amount resulting from the conversion by more than 5 %. A country may retain unchanged its national currency equivalent of an amount expressed in euro if, at the time of the annual

adjustment provided for in paragraph 3, the conversion of that amount, before any rounding-off, results in an increase of less than 15 % in the national currency equivalent. The national currency equivalent may be retained unchanged if the conversion would result in a decrease in that equivalent value.

5 The amounts expressed in euro shall be reviewed by the Commission. When carrying out that review, the Commission shall consider the desirability of preserving the effects of the limits concerned in real terms. For that purpose, it may decide to modify the amounts expressed in euro.

TITLE V

ARRANGEMENTS FOR ADMINISTRATIVE COOPERATION

Article 31

Mutual assistance

1 The ACP States shall send the Commission specimens of the stamps used together with the addresses of the customs authorities competent to issue movement certificates EUR.1 and carry out the subsequent verification of movement certificates EUR.1 and invoice declarations.

2 In order to ensure the proper application of this Annex, the Union, the OCT and the ACP States shall assist each other, through the competent customs administrations, in checking the authenticity of movement certificates EUR.1, invoice declarations or supplier's declarations and the correctness of the information given in those documents.

Article 32

Verification of proofs of origin

1 Subsequent verifications of proofs of origin shall be carried out at random or whenever the customs authorities of the importing country have reasonable doubts as to the authenticity of such documents, the originating status of the products concerned or the fulfilment of the other requirements of this Annex.

2 For the purposes of implementing paragraph 1, the customs authorities of the importing country shall return the movement certificate EUR.1 and the invoice, if it has been submitted, the invoice declaration, or a copy of those documents to the customs authorities of the exporting country giving, where appropriate, the reasons for the request for verification. Any documents and information obtained suggesting that the information given on the proof or origin is incorrect shall be forwarded in support of the request for verification.

3 The verification shall be carried out by the customs authorities of the exporting country. For that purpose, they shall have the right to call for any evidence and to carry out any inspection of the exporter's accounts or any other check considered appropriate.

4 If the customs authorities of the importing country decide to suspend the granting of preferential treatment to the products concerned while awaiting the results of the verification, release of the products shall be offered to the importer subject to any precautionary measures judged necessary.

5 The customs authorities requesting the verification shall be informed of the results of that verification as soon as possible. Those results shall indicate clearly whether the documents are authentic and whether the products concerned can be considered as products originating in the ACP States or in one of the countries or territories referred to in Article 6 and fulfil the other requirements of this Annex.

6 If in cases of reasonable doubt there is no reply within ten months of the date of the verification request or if the reply does not contain sufficient information to determine the authenticity of the document in question or the real origin of the products, the requesting customs authorities shall, except in exceptional circumstances, refuse entitlement to the preferences.

7 Where the verification procedure or any other information available appears to indicate that the provisions of this Annex are being contravened, appropriate enquiries shall be carried out with due urgency to identify and prevent such contraventions.

Article 33

Verification of suppliers' declarations

1 Verification of suppliers' declarations shall be carried out at random or whenever the customs authorities of the importing State have reasonable doubts as to the authenticity of the document or the accuracy or completeness of the information concerning the true origin of the materials in question.

2 The customs authorities to which a supplier's declaration is submitted may request the customs authorities of the State where the declaration was made to issue an information certificate, a specimen of which appears in Appendix 6. Alternatively, the customs authorities to which a supplier's declaration is submitted may request the exporter to produce an information certificate issued by the customs authorities of the State where the declaration was made.

3 The customs authorities requesting the verification shall be informed of the results of the verification as soon as possible. The results shall indicate clearly whether the declaration concerning the status of the materials is correct.

4 For the purpose of verification, suppliers shall keep a copy of the document containing the declaration together with all necessary evidence showing the true status of the materials for not less than three years.

5 The customs authorities in the State where the supplier's declaration is drawn up shall have the right to call for any evidence or to carry out any check which they consider appropriate in order to verify the correctness of any supplier's declaration.

6 Any movement certificate EUR.1 or invoice declaration issued or made out on the basis of an incorrect supplier's declaration shall be considered null and void.

Article 34

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 preferential treatment for products.

Article 35

Free zones

1 All necessary steps shall be taken to ensure that products traded under cover of a proof of origin or a supplier's declaration and which in the course of transport use a free zone situated in their territory are not substituted by other goods and do not undergo handling other than normal operations designed to prevent their deterioration.

2 By way of derogation from paragraph 1, when originating products are imported into a free zone under cover of a proof of origin and undergo treatment or processing, the authorities concerned shall issue a new movement certificate EUR.1 at the exporter's request if the treatment or processing undergone complies with the provisions of this Annex.

Article 36

Derogations

1 On its own initiative or in response to a request from a beneficiary country the Commission may grant a beneficiary country a temporary derogation from the provisions of this Annex where:

2 Such a temporary derogation shall be limited to the duration of the effect of the internal or external factors giving rise to it or the length of time needed for the beneficiary country to achieve compliance with the rules.

3 A request for derogation shall be made in writing to the Commission. It shall state the reasons as indicated in paragraph 1 why a derogation is required and shall include appropriate supporting documents.

4 Measures under this Article shall be adopted in accordance with the examination procedure referred to in Article 19(5) of this Regulation.

TITLE VI

CEUTA AND MELILLA

Article 37

Special conditions

1 The term 'Union' used in this Annex shall not cover Ceuta and Melilla. The term 'products originating in the Union' shall not cover products originating in Ceuta and Melilla.

2 The provisions of this Annex shall apply *mutatis mutandis* in determining whether products may be deemed as originating in the ACP States when imported into Ceuta and Melilla.

3 Where products wholly obtained in Ceuta, Melilla or the Union undergo working and processing in the ACP States, they shall be considered as having been wholly obtained in the ACP States.

Status: This is the original version (as it was originally adopted).

4 Working or processing carried out in Ceuta, Melilla or the Union shall be considered as having been carried out in the ACP States, when materials undergo further working or processing in the ACP States.

5 For the purpose of implementation of paragraphs 3 and 4 of this Article, the insufficient operations listed in Article 5 shall not be considered as working or processing.

6 Ceuta and Melilla shall be considered as a single territory.

TITLE VII

FINAL PROVISION

Article 38

Appendices

The Appendices to this Annex shall form an integral part thereof.