

ANNEX V

REFERRED TO IN PARAGRAPH 1 OF ARTICLE 7
CONCERNING THE DEFINITION OF THE CONCEPT OF
“ORIGINATING PRODUCTS” AND METHODS OF ADMINISTRATIVE
CO-OPERATION

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TITLE I

GENERAL PROVISIONS

Article 1

Definitions

For the purposes of this Annex:

- (a) “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 1994 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 an EFTA State or in SACU 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 an EFTA State or in SACU;
- (h) “value of originating materials” means the value of such materials as defined in (g) applied *mutatis mutandis*;
- (i) “chapters” and “headings” mean the chapters and the headings (four-digit codes) used in the nomenclature which makes up the Harmonized Commodity Description and Coding System, referred to in this Annex as “the Harmonized System” or “HS”;
- (j) “classified” refers to the classification of a product or material under a particular heading;
- (k) “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;

- (l) “territories” includes territorial waters¹;
- (m) “EUR” means “euro”, the single currency of the European Monetary Union;
- (n) “an EFTA State” means any of the following states: Iceland, Norway or Switzerland²;
- (o) “SACU” means Southern African Customs Union; and
- (p) “a SACU State” means any of the following states: Botswana, Lesotho, Namibia, South Africa or Swaziland.

TITLE II

DEFINITION OF THE CONCEPT OF “ORIGINATING PRODUCTS”

Article 2

Origin Criteria

1. For the purpose of implementing this Agreement, the following products shall be considered as originating in an EFTA State or SACU:
 - (a) products wholly obtained in a Party within the meaning of Article 4; and
 - (b) products obtained in a Party incorporating materials which have not been wholly obtained there, provided that such materials have undergone sufficient working or processing in the Party concerned within the meaning of Article 5.
2. For the purpose of this Agreement, products originating in an EFTA State shall be considered as originating in Iceland, Norway or Switzerland, and products originating in SACU shall be considered as single SACU origin.

¹ In the case of Namibia, “territory” includes the Exclusive Economic Zone.

² Due to the customs union between Switzerland and Liechtenstein, products originating in Liechtenstein are considered as originating in Switzerland.

Article 3

Cumulation of Origin

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

Article 4

Wholly Obtained Products

1. The following shall be considered as wholly obtained in an EFTA State or in SACU:
 - (a) mineral products extracted from their soil or from their seabed;
 - (b) vegetable products harvested there;
 - (c) live animals born and raised there;
 - (d) products from live animals raised there;
 - (e) products obtained by hunting, fishing or aquaculture carried out there;
 - (f) products of sea fishing and other products taken from the territorial waters of an EFTA State or of a SACU State;
 - (g) products of sea fishing and other products taken from the sea outside the territorial waters of a Party by a vessel flying the flag of an EFTA State or of a SACU State;
 - (h) products made exclusively from products referred to in (f) and (g) aboard factory ships flying the flag of an EFTA State or of a SACU State;

- (i) used articles collected there fit only for the recovery of raw materials, including used tyres fit only for retreading or for use as waste;
- (j) waste and scrap resulting from manufacturing operations conducted there;
- (k) products extracted from marine soil or subsoil outside their territorial waters provided that they have sole rights to work that soil or subsoil; and
- (l) goods produced there exclusively from the products specified in (a) to (k).

Article 5

Sufficiently Worked or Processed Products

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

The conditions referred to above indicate, for all products covered by the Agreement, the working or processing which must be carried out on non-originating materials used in manufacturing and apply only in relation to such materials. 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 the list, should not be used in the manufacture of a product may nevertheless be used, provided that:

- (a) their total value does not exceed 15 per cent of the ex-works price of the product; and
- (b) any of the percentages given in the list for the maximum value of non-originating materials are not exceeded through the application of this paragraph.

This paragraph shall not apply to products falling within Chapters 50 to 63 of the Harmonized System.

3. Paragraphs 1 and 2 shall apply subject to the provisions of Article 6.

Article 6

Insufficient Working or Processing

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 5 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;
- (e) simple¹ painting and polishing operations;
- (f) husking, partial or total bleaching, polishing, and glazing of cereals and rice;
- (g) operations to colour sugar or form sugar lumps;
- (h) peeling, stoning and shelling, of fruits, nuts and vegetables;
- (i) sharpening, simple¹ grinding or simple¹ cutting;
- (j) sifting, screening, sorting, classifying, grading, matching (including the making-up of sets of articles);
- (k) simple¹ placing in bottles, cans, flasks, bags, cases, boxes, fixing on cards or boards and all other simple packaging operations;
- (l) affixing or printing marks, labels, logos and other like distinguishing signs on products or their packaging;
- (m) simple mixing² of products, whether or not of different kinds;

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

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

- (n) simple¹ assembly of parts of articles to constitute a complete article or disassembly of products into parts;
- (o) a combination of two or more operations specified in (a) to (n); and
- (p) slaughter of animals.

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

Article 7

Unit of Qualification

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

It follows that:

- (a) when a product composed of a group or assembly of articles is classified under the terms of the Harmonized System in a single heading, the whole constitutes the unit of qualification; and
- (b) when a consignment consists of a number of identical products classified under the same heading of the Harmonized System, each product must be taken individually when applying the provisions of this Annex.

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

Article 8

Accessories, Spare Parts and Tools

Accessories, spare parts and tools dispatched with a piece of equipment, machine, apparatus or vehicle, which are part of the normal equipment and included in the price thereof or which are not separately invoiced, shall be regarded as one with the piece of equipment, machine, apparatus or vehicle in question.

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

Article 9

Sets

Sets, as defined in General Rule 3 of the Harmonized System, shall be regarded as originating when all 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 per cent of the ex-works price of the set.

Article 10

Neutral Elements

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

- (a) energy and fuel;
- (b) plant and equipment;
- (c) machines and tools; and
- (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 3 and paragraph 3 of this Article, the conditions for acquiring originating status set out in Title II must be fulfilled without interruption in an EFTA State or in SACU.

2. Except as provided for in Article 3, where originating goods exported from an EFTA State or from SACU to another country return, they must be considered as non-originating, unless it can be demonstrated to the satisfaction of the customs authorities that:

- (a) the returning goods are the same as those exported; and

- (b) they have not undergone any operation beyond that necessary to preserve them in good condition while in that country or while being exported.

3. The acquisition of originating status in accordance with the conditions set out in Title II shall not be affected by working or processing done outside an EFTA State or SACU on materials exported from an EFTA State or SACU and subsequently reimported there, provided that:

- (a) the said materials are wholly obtained in an EFTA State or in SACU or have undergone working or processing beyond the operations referred to in Article 6 prior to being exported; and
- (b) it can be demonstrated to the satisfaction of the customs authorities that:
 - (i) the reimported goods have been obtained by working or processing the exported materials; and
 - (ii) the total added value acquired outside the EFTA State concerned or SACU by applying the provisions of this Article does not exceed ten per cent of the ex-works price of the end product for which originating status is claimed.

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

5. For the purposes of applying the provisions of paragraphs 3 and 4, “total added value” shall be taken to mean all costs arising outside the EFTA State concerned or SACU, including the value of the materials incorporated there.

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

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

8. Any working or processing of the kind covered by the provisions of this Article and done outside an EFTA State or SACU shall be done under the outward processing arrangements, or similar arrangements.

Article 12

Direct Transport

1. The preferential treatment provided for under this Agreement applies only to products, satisfying the requirements of this Annex, which are transported directly between an EFTA State and SACU. However, products may be transported through other territories, provided that they remain under the surveillance of the customs authorities in the country of transit or in temporary warehousing and do not undergo operations other than unloading, reloading, splitting up of consignments or any operation designed to preserve them in good condition.

Originating products may be transported by pipeline across territory other than that of the Parties.

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

Article 13

Exhibitions

1. Originating products, sent for exhibition outside the Parties and sold after the exhibition for importation into an EFTA State or SACU shall benefit on importation from the provisions of this Agreement provided it is shown to the satisfaction of the customs authorities that:

- (a) an exporter has consigned these products from an EFTA State or SACU 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 an EFTA State or SACU;
- (c) the products have been consigned during the exhibition or immediately thereafter in the State in which they were sent for exhibition; and
- (d) the products have not, since they were consigned for exhibition, been used for any purpose other than demonstration at the exhibition.

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

3. Paragraph 1 shall apply to any trade, industrial, agricultural or crafts exhibition, fair or similar public show or display which is not organised for private

purposes in shops or business premises with a view to the sale of foreign products, and during which the products remain under customs control.

TITLE IV

PROOF OF ORIGIN

Article 14

General Requirements

1. Products originating in a Party shall, on importation into an EFTA State or SACU benefit from this Agreement upon submission of either:

- (a) a movement certificate EUR.1, a specimen of which appears in Appendix 3; or
- (b) in the cases specified in paragraph 1 of Article 19, a declaration, subsequently referred to as the “invoice declaration”, given by the exporter on an invoice, a delivery note or any other commercial document which describes the products concerned in sufficient detail to enable them to be identified; the text of the invoice declaration shall read:

“The exporter of the products covered by this document (customs authorization No ⁽¹⁾) declares that, except where otherwise clearly indicated, the products are of ... preferential origin ⁽²⁾.”

The invoice declaration must be made out in accordance with the footnotes. However, the footnotes do not have to be reproduced.

2. Notwithstanding paragraph 1, originating products within the meaning of this Annex shall, in the cases specified in Article 20, benefit from this Agreement without it being necessary to submit any of the documents referred to above.

¹ When the invoice declaration is made out by an approved exporter within the meaning of Article 23, the authorization number of the approved exporter must be entered in this space. When the invoice declaration is not made out by an approved exporter, the words in brackets shall be omitted or the space left blank.

² Origin of products to be indicated.

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 his authorised representative.
2. For this purpose, the exporter or his authorised representative shall fill out both the movement certificate EUR.1 and the application form, specimens of which appear in Appendix 3. These forms shall be completed in English, in accordance with the provisions of the domestic law of the exporting country. If they are handwritten, they shall be completed in ink in printed characters. The description of the products must be given in the box reserved for this purpose without leaving any blank lines. Where the box is not completely filled, a horizontal line must 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 country 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 an EFTA State or a SACU State if the products concerned can be considered as products originating in an EFTA State or in SACU and fulfil the other requirements of this Annex.
5. The customs authorities issuing movement certificates EUR.1 shall take any steps necessary to verify the originating status of the products and the fulfilment of the other requirements of this Annex. For this purpose, they shall have the right to call for any evidence and to carry out any inspection of the exporter's accounts or any other check considered appropriate. They 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 paragraph 7 of Article 15, a movement certificate EUR.1 may exceptionally be issued after exportation of the products to which it relates if:
 - (a) it was not issued at the time of exportation because of errors or involuntary omissions or special circumstances; or
 - (b) it is demonstrated to the satisfaction of the customs authorities that a movement certificate EUR.1 was issued but was not accepted at importation for technical reasons.
2. For the implementation of paragraph 1, the exporter must indicate in his application the place and date of exportation of the products to which the movement certificate EUR.1 relates, and state the reasons for his 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 agrees with that in the corresponding file.
4. Movement certificates EUR.1 issued retrospectively must be endorsed with the words

“ISSUED RETROSPECTIVELY”.
5. The endorsement referred to in paragraph 4 shall be inserted in the “Remarks” box 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 must be endorsed with the word

“DUPLICATE”.
3. The endorsement referred to in paragraph 2 shall be inserted in the “Remarks” box of the duplicate movement certificate EUR.1.
4. The duplicate, which must 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 EFTA State or in SACU, it shall be possible to replace the original proof of origin by one or more movement certificates EUR.1 for the purpose of sending all or some of these products elsewhere within an EFTA State or SACU. The replacement movement certificate(s) 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 paragraph 1(b) of Article 14 may be made out:
 - (a) by an approved exporter within the meaning of Article 22; or
 - (b) by any exporter for any consignment consisting of one or more packages containing originating products the total value of which does not exceed EUR 6,000.
2. An invoice declaration may be made out if the products concerned can be considered as products originating in an EFTA State or in SACU 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 paragraph 1(b) of Article 14, 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 22 shall not be required to sign such declarations provided that he gives the customs authorities of the exporting country a written undertaking that he accepts full responsibility for any invoice declaration which identifies him as if it had been signed in manuscript by him.
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

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, this 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 these 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 21

Calculation of National Currencies

1. For the application of paragraph 1(b) of Article 19 and paragraph 3 of Article 20, amounts in the national currencies of the Parties, equivalent to the amounts expressed in euro shall be fixed annually by the Parties concerned.
2. A consignment shall benefit from the provisions of paragraph 1(b) of Article 19 or paragraph 3 of Article 20 by reference to the currency in which the invoice is drawn up, according to the amount fixed by the Party 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 at the first working day of October and shall apply from 1 January the following year. The Parties shall be notified of the relevant amounts.
4. The amounts expressed in euro shall be reviewed by the Sub-Committee on Customs and Origin Matters established in accordance with Article 34 (hereinafter referred to as "the Sub-Committee") at the request of a Party. When carrying out this review, the Sub-Committee shall consider the desirability of preserving the effects of the limits concerned in real terms. For this purpose, it may decide to modify the amounts expressed in euro.

Article 22

Approved Exporter

1. The customs authorities of the exporting country may authorise any exporter, hereafter referred to as “approved exporter”, who makes frequent shipments of products under this Agreement to make out invoice declarations irrespective of the value of the products concerned. An exporter seeking such authorisation must 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 may grant the status of approved exporter subject to any conditions which they consider appropriate.
3. The customs authorities shall grant to the approved exporter a customs authorisation number which shall appear on the invoice declaration.
4. The customs authorities shall monitor the use of the authorisation by the approved exporter.
5. The customs authorities 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, no longer fulfils the conditions referred to in paragraph 2 or otherwise makes an incorrect use of the authorisation.

Article 23

Validity of Proof of Origin

1. A proof of origin shall be valid for four months from the date of issue in the exporting country, and must be submitted within the said 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, when the failure to submit these 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 when the products have been submitted before the said final date.

Article 24

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. The said 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 Agreement.

Article 25

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 Harmonized System falling within Sections XVI and XVII or headings 7308 and 9406 of the Harmonized System are imported by instalments, a single proof of origin for such products shall be submitted to the customs authorities upon importation of the first instalment.

Article 26

Supporting Documents

The documents referred to in paragraph 3 of Article 15 and paragraph 3 of Article 19, 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 EFTA State or in SACU 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 his accounts or internal book-keeping;
- (b) documents proving the originating status of materials used, issued or made out in an EFTA State or in SACU where these documents are used in accordance with domestic law;
- (c) documents proving the working or processing of materials in an EFTA State or in SACU, issued or made out in an EFTA State or in SACU, where these documents are used in accordance with domestic law; or
- (d) movement certificates EUR.1 or invoice declarations, proving the originating status of materials used, issued or made out in an EFTA State or in SACU in accordance with this Annex.

Article 27

Preservation of Proof of Origin and Supporting Documents

1. The exporter applying for the issue of a movement certificate EUR.1 shall keep for at least three years the documents referred to in paragraph 3 of Article 15.
2. The exporter making out an invoice declaration shall keep for at least three years a copy of this invoice declaration as well as the documents referred to in paragraph 3 of Article 19.
3. The customs authorities of the exporting country issuing a movement certificate EUR.1 shall keep for at least three years the application form referred to in paragraph 2 of Article 15.
4. The customs authorities of the importing country shall keep for at least three years the movement certificates EUR.1 and the invoice declarations submitted to them.

Article 28

Discrepancies and Formal Errors

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

TITLE V

ARRANGEMENTS FOR ADMINISTRATIVE CO-OPERATION

Article 29

Notifications

The customs authorities of the EFTA States and SACU shall provide each other, through the EFTA Secretariat and the SACU Secretariat, with specimen impressions of stamps used in their customs offices for the issue of movement certificates EUR.1, with information on the composition of the authorisation number for approved exporters, with a specimen of an original movement certificate EUR.1

form and with the addresses of the customs authorities responsible for verifying movement certificates EUR.1 and invoice declarations.

Article 30

Verification of Proofs of Origin

1. In order to ensure the proper application of this Annex, the EFTA States and SACU shall assist each other, through the competent customs administrations, in checking the authenticity of the movement certificates EUR.1 or the invoice declarations and the correctness of the information given in these documents.
2. 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.
3. For the purposes of implementing the provisions of 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 these documents, to the customs authorities of the exporting country giving, where appropriate, the reasons for the enquiry. Any documents and information obtained suggesting that the information given on the proof of origin is incorrect shall be forwarded in support of the request for verification.
4. The verification shall be carried out by the customs authorities of the exporting country. For this purpose, they shall have the right to call for any evidence and to carry out any inspection of the exporter's accounts or any other check considered appropriate.
5. 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.
6. The customs authorities requesting the verification shall be informed of the results of this verification as soon as possible. These results must indicate clearly whether the documents are authentic and whether the products concerned can be considered as product originating in an EFTA State or in SACU and fulfil the other requirements of this Annex.
7. If, in cases of a 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.

Article 31

Dispute Settlement

1. Where disputes arise in relation to the verification procedures of Article 30 which cannot be settled between the customs authorities requesting a verification and the customs authorities responsible for carrying out this verification or where they raise a question as to the interpretation of this Annex, they shall be submitted to the Sub-Committee. The Sub-Committee shall present a report to the Joint Committee containing its conclusions.

2. In all cases the settlement of disputes between the importer and the customs authorities of the importing country shall be under the legislation of the said country.

Article 32

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.

Article 33

Free Zones

1. The EFTA States and SACU shall take all necessary steps to ensure that products traded under cover of a proof of origin which in the course of transport use a free zone situated in their territory, are not substituted by other goods and do not undergo handling other than normal operations designed to prevent their deterioration.

2. By means of an exemption to the provisions contained in paragraph 1, when products originating in an EFTA State or in SACU are imported into a free zone of the exporting country 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 is in conformity with the provisions of this Annex.

TITLE VI

FINAL PROVISIONS

Article 34

Sub-Committee on Customs and Origin Matters

1. A Sub-Committee on Customs and Origin Matters is hereby established.
2. The functions of the Sub-Committee shall be to exchange information, review developments, prepare and co-ordinate positions, prepare technical amendments to the rules of origin and assist the Joint Committee regarding:
 - (a) rules of origin and administrative co-operation as set out in this Annex;
 - (b) other matters that are referred to the Sub-Committee by the Joint Committee.
3. The Sub-Committee shall report to the Joint Committee. It may make recommendations to the Joint Committee on matters related to its functions.
4. The Sub-Committee shall act by consensus. It shall be chaired alternatively by a representative of an EFTA State or SACU for an agreed period of time. The Chairperson shall be elected at its first meeting.
5. The Sub-Committee shall meet as often as required. It may be convened by the Joint Committee upon request of any Party or at the initiative of the Chairperson of the Sub-Committee. The venue shall alternate between SACU and an EFTA State.
6. A provisional agenda for each meeting shall be prepared by the Chairperson in consultation with all Parties, and be forwarded to the Parties, as a general rule, not later than two weeks before the meeting.

Article 35

Appendices

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

Article 36

Transitional Provisions for Goods in Transit or Storage

The provisions of this Agreement may be applied to goods which comply with the provisions of this Annex and which on the date of entry into force of this Agreement are either in transit or are in an EFTA State or in SACU in temporary

storage in customs warehouses or in free zones, subject to the submission to the customs authorities of the importing country, within four months of the said date, of a movement certificate EUR. 1 issued retrospectively by the customs authorities of the exporting country together with the documents showing that the goods have been transported directly in accordance with the provisions of Article 12.
