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Acts whose titles are printed in light type are those relating to day-to-day management of agricultural matters, and are generally valid for a limited period.

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II

(Acts whose publication is not obligatory)

COUNCIL**COUNCIL DECISION**

of 16 December 1980

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

(80/1186/EEC)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

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

Having regard to the Internal Agreement on the financing and administration of Community aid signed in Brussels on 20 November 1979, hereinafter called 'the Internal Agreement',

Having regard to the recommendation from the Commission,

Having regard to the opinion of the European Parliament ⁽¹⁾,

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

Whereas these provisions form part of the European Economic Community's efforts to establish, in particular by means of the Second ACP-EEC Convention, signed at Lomé on 31 October 1979 (hereinafter called 'the Convention'), a new model for relations between developed and developing regions,

compatible with the aspirations of the international community towards a more just and more balanced economic order;

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

Whereas special provisions should be laid down in respect of rum, arrack and tafia falling within subheading 22.09 C I of the Common Customs Tariff;

Whereas Article 185 of the Convention provides for the possibility of accession to the Convention by a country or territory to which Part Four of the Treaty applies and which becomes independent; whereas it is therefore necessary to make provision for possible adaptation of this Decision;

Whereas Article 1 of the Internal Agreement provides that, where a country or territory which has become independent accedes to the Convention, the financial aid allocated to the countries and territories from European Development Fund resources shall, by decision of the Council, be reduced and the amounts allocated to the ACP States correspondingly increased;

Whereas it is necessary, both to facilitate future application of this provision and to ensure that financial aid is distributed as fairly as possible, to lay down the

⁽¹⁾ OJ No C 327, 15. 12. 1980, p. 69.

allocation of aid among the countries and territories for which the French Republic has responsibility, the countries and territories for which the United Kingdom has responsibility, and the Netherlands Antilles,

HAS DECIDED AS FOLLOWS:

Article 1

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

TITLE I

TRADE COOPERATION

Chapter 1

Trade arrangements

Article 2

In the field of trade cooperation, the object of this Decision is to promote trade between the countries and territories and the Community, taking account of their respective levels of development, and also trade between the countries and territories themselves.

In the pursuit of this objective, particular regard will be had to the need to secure effective additional benefits for the trade of the countries and territories with the Community, in order to accelerate the growth of their trade and in particular of the flow of their exports to the Community and in order to improve the conditions of access for their products to the market of the Community, so as to ensure a better balance in the trade of the parties concerned.

To this end the parties concerned shall apply the provisions of this Title and the other appropriate measures under Titles III, IV and V.

Article 3

1. Products originating in the countries and territories shall be imported into the Community free of customs duties and charges having equivalent effect.

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

- listed in Annex II to the Treaty when they come under a common organization of the market within the meaning of Article 40 of the Treaty, or
- subject, on import into the Community, to specific rules introduced as a result of the implementation of the common agricultural policy

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

- (i) those products shall be imported free of customs duties for which Community provisions in force at the time of import do not provide, apart from customs duties, for the application of any other measure relating to their import;
 - (ii) for products other than those referred to under (i) the Community shall take the necessary measures to ensure more favourable treatment than that accorded to third countries to which the most-favoured-nation clause applies in respect of the same products.
- (b) These arrangements shall enter into force at the same time as this Decision, and shall remain applicable for its duration.

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

- subjects one or more products to common organization of the market or to specific rules introduced as a result of the implementation of the common agricultural policy, it reserves the right to adapt the import treatment for these products originating in the countries and territories. In such cases subparagraph (a) shall be applicable;
- modifies the common organization of the market in a particular product or the specific rules introduced as a result of the implementation of the common agricultural policy, it reserves the right to modify the arrangements laid down for products originating in the countries and territories. In such cases, the Community shall ensure that products originating in the countries

and territories continue to enjoy an advantage comparable to that previously enjoyed in relation to products originating in third countries benefiting from the most-favoured-nation clause.

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

Article 4

1. The Community shall not apply to imports of products originating in the countries and territories any quantitative restrictions or measures having equivalent effect.
2. Paragraph 1, however, shall not prejudice the import treatment applied to the products referred to in the first indent of Article 3 (2) (a).

Article 5

This Decision shall not prejudice the treatment that the Community applies to certain products in implementation of International Commodity Agreements to which the Community is a signatory.

Article 6

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

Article 7

Articles 4 and 6 shall not preclude prohibitions or restrictions on imports, exports or goods in transit justified on grounds of public morality, public policy or public security; the protection of health and life of humans, animals and plants; the protection of national treasures possessing artistic, historic or archaeological value, or the protection of industrial and commercial property.

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

Article 8

1. The trade arrangements applied to the Community by the countries and territories may not give rise to any discrimination between Member States nor be less favourable than the most-favoured-nation treatment.
2. Paragraph 1 shall not preclude a country or territory from granting certain other countries or territories or other developing countries more favourable treatment than that accorded to the Community.

Article 9

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

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

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

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

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

Article 10

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

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

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

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

Article 11

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

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

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

Article 12

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

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

Article 13

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

2. For the purpose of implementing paragraph 1, priority shall be given to such measures as would least disturb the functioning of the association and the

Community. These measures shall not exceed the limits of what is strictly necessary to remedy the difficulties that have arisen.

Chapter 2

Special undertakings on rum and bananas

Article 14

Until the entry into force of a common organization of the market in spirits and notwithstanding the provisions of Article 3 (1), entry into the Community of products of subheading 22.09 C I — rum, arrack, tafia — originating in the countries and territories shall be governed by the provisions of Annex IX.

Article 15

In order to permit the improvement of the conditions under which bananas originating in the countries and territories are produced and marketed, the Community hereby agrees to the objectives set out in Annex VI.

Article 16

This chapter and Annexes VI and IX shall not apply to relations between the countries and territories and the French overseas departments.

Chapter 3

Trade promotion

Article 17

The Community shall implement trade promotion measures from the production stage to the final stage of distribution. The aim of such measures shall be to help the countries and territories to participate under the most favourable conditions in Community, domestic, regional and international markets by diversifying the range and increasing the value and volume of their exports.

Article 18

The trade promotion measures provided for in Article 17 shall include the provision of technical and financial assistance for achieving the following objectives:

(a) the establishment and/or improvement of the structure of organizations, centres or firms involved in the development of the trade or the countries and territories and the assessment of their staffing requirements, financial management and working methods;

(b) basic training, management training, and vocational training of technicians in fields related to the development and promotion of national and international trade;

(c) product policy inclusive of research, processing, quality guarantee and control, packaging and presentation;

(d) development of supportive infrastructure, including transport and storage facilities, in order to facilitate the flow of exports from the countries and territories;

(e) advertising;

(f) establishing, promoting and improving cooperation among economic operators in the countries and territories and between such operators and those in the Member States and in third countries and introducing appropriate measures to promote such cooperation;

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

(h) selecting, analysing and disseminating quantitative and qualitative trade information and facilitating free access to existing or future information systems or bodies in the Community and in the countries and territories;

(i) participation by the countries and territories in fairs, exhibitions and, in particular, specialized international shows, the list of which shall be drawn up in consultation with the countries and territories and the organization of trade events.

The participation of the countries and territories listed in Article 133 (3) in the various trade promotion activities envisaged shall be encouraged by special measures, including the payment of travel expenses of personnel and costs of transporting articles and goods that are to be exhibited, on the occasion of their participation in fairs and exhibitions;

(j) special assistance to small- and medium-sized undertakings for product identification and development, market outlets and joint marketing ventures.

Article 19

The funds allocated by each country and territory to the financing of trade promotion operations shall reflect its development aims and priorities.

Article 20

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

TITLE II

EXPORT EARNINGS FROM COMMODITIES

Chapter 1

Stabilization of export earnings

Article 21

1. With the aim of remedying the harmful effects of the instability of export earnings and to help the countries and territories overcome one of the main obstacles to the stability, profitability and sustained growth of their economies, to support their development efforts and to enable them in this way to ensure economic and social progress for their peoples by helping to safeguard their purchasing power, a system shall be operated to guarantee the stabilization of earnings derived from the exports of the countries and territories to the Community of products on which their economies are dependent and which are affected by fluctuations in price or quantity or both these factors.

2. In order to attain these objectives, transfers must be devoted to maintaining financial flows in the sector in question or, for the purpose of promoting diversification, directed towards other appropriate sectors and used for economic and social development.

Article 22

Export earnings to which the stabilization system applies shall be those accruing from the export by each country or territory to the Community of each of the products on the list in Article 23, in the drawing up of which account has been taken of factors such as employment, deterioration of the terms of trade between the Community and the country or territory concerned and the level of development of that country or territory.

Article 23

1. The following products shall be covered:

	<i>NIMEXE code</i>
1. Groundnuts, shelled or not	12.01-31 to 12.01-35
2. Groundnut oil	15.07-74 and 15.07-87
3. Cocoa beans	18.01-00
4. Cocoa paste	18.03-10 to 18.03-30
5. Cocoa butter	18.04-00
6. Raw or roasted coffee	09.01-11 to 09.01-17
7. Extracts, essences or concentrates of coffee	21.02-11 to 21.02-15
8. Cotton, not carded or combed	55.01-10 to 55.01-90
9. Cotton linters	55.02-10 to 55.02-90
10. Coconuts	08.01-71 to 08.01-75
11. Copra	12.01-42
12. Coconut oil	15.07-29, 15.07-77 and 15.07-92
13. Palm oil	15.07-19, 15.07-61 and 15.07-63
14. Palm nut and kernel oil	15.07-31, 15.07-78 and 15.07-93
15. Palm nuts and kernels	12.01-44
16. Raw hides and skins	41.01-11 to 41.01-95
17. Bovine cattle leather	41.02-05 to 41.02-98
18. Sheep and lamb skin leather	41.03-10 to 41.03-99
19. Goat and kid skin leather	41.04-10 to 41.04-99
20. Wood in the rough	44.03-20 to 44.03-99
21. Wood roughly squared or half-squared, but not further manufactured	44.04-20 to 44.04-98
22. Wood sawn lengthwise, but not further prepared	44.05-10 to 44.05-79
23. Fresh bananas	08.01-31
24. Tea	09.02-10 to 09.02-90
25. Raw sisal	57.04-10
26. Vanilla	09.05-00
27. Cloves — whole fruit, cloves and stems	09.07-00
28. Sheep's or lambs' wool, not carded or combed	58.01-10 to 53.01-40
29. Fine animal hair of Angora goats — mohair	53.02-95
30. Gum arabic	13.02-91
31. Pyrethrum — flowers, leaves, stems, peel and roots; saps and extracts from pyrethrum	12.07-10 and 13.03-15

	<i>NIMEXE code</i>
32. Essential oils, not terpeneless, of cloves, of niaouli and of ylang-ylang	33.01-23
33. Sesame seed	12.01-68
34. Cashew nuts and kernels	08.01-77
35. Pepper	09.04-11 and 09.04-70
36. Shrimps and prawns	03.03-43
37. Squid	03.03-68
38. Cotton seeds	12.01-66
39. Oil-cake	23.04-01 to 23.04-99
40. Rubber	40.01-20 to 40.01-60
41. Peas	07.01-41 to 07.01-43, 07.05-21 and 07.05-61
42. Beans	07.01-45 to 07.01-47, 07.05-25 and 07.05-65
43. Lentils	07.05-30 and 07.05-70

2. Upon presentation of each transfer request, the country or territory shall choose between the following systems:

- (a) each product listed in Article 23 (1) shall constitute a product within the meaning of Articles 26, 33, 34, 35, 36, 39, 40 and 41;
- (b) product groups 1 and 2, 3 to 5, 6 and 7, 8 and 9, 10 to 12, 13 to 15, 16 to 19 and 20 to 22 shall each constitute a product within the meaning of Articles 26, 33, 34, 35, 36, 39, 40 and 41.

Article 24

If, 12 months after the entry into force of this Decision, one or more products not contained in the list in Article 23, but upon which the economies of one or more countries and territories depend to a considerable extent, are affected by sharp fluctuations, the Council shall decide, not later than six months after the presentation of a request by the competent authorities of the countries or territories concerned, whether or not to include the said product or products in the list.

Article 25

The competent authority of each country or territory concerned shall certify that the products to which the system applies have originated in its territory within the meaning of Article 2 of Annex II.

Article 26

The system shall apply to the earnings derived by a country or territory from exports of the products listed

in Article 23 if, during the year preceding the year of application, earnings from the export of each product to all destinations, re-exports excluded, represented at least 6.5 % of its total export earnings from its goods. The figure shall be 5 % for sisal.

Article 27

1. The system shall be implemented in respect of the products listed in Article 23 where they are:

- (a) released for consumption in the Community, or
- (b) brought under the inward processing arrangements there in order to be processed.

2. The export earnings to be taken into account shall be those obtained by multiplying the unit values for the exports of the country or territory in question, as given in the statistics of that country or territory, by the quantities imported by the Community as shown in Community statistics.

Article 28

For the purposes specified in Article 21, the Community shall allocate to the system, for the duration of this Decision, and subject to the second paragraph of Article 30, an amount of nine million ECU, to cover all its commitments under the system. This amount shall be managed by the Commission.

Article 29

1. The overall amount referred to in Article 28 shall be divided into a number of equal annual instalments corresponding to the number of years of application.
2. Whatever balance remains at the end of each of the first four years of application of the Decision shall be carried forward automatically to the following year.

Article 30

The resources available for each year of application shall be made up of the sum of the following elements:

1. the annual instalment, reduced by any amounts used under Article 31 (1);
2. the sums carried forward under Article 29 (2);
3. the amounts replenished under Articles 39 and 40;
4. any amounts made available under Article 31 (1).

However, where the Council exercises the power conferred by Article 48 (3), the resources available for the year of application in progress and/or future years of application may be reduced in accordance with the arrangements adopted by the Council under the said paragraph.

Article 31

In the case of an insufficiency of funds for a year of application the Council, on the basis of the report submitted to it by the Commission, may:

1. authorize, for each year except the last, the use in advance of a maximum of 20 % of the following year's instalment;
2. reduce the amount of the transfers to be made.

Article 32

Before the expiry of the period referred to in Article 28, the Council shall decide on the use of any balance remaining from the overall amount established in Article 28, as well as on the conditions for further use of any amounts still to be replenished by the countries and territories under Articles 39 and 40 following the expiry of the period referred to in Article 28.

Article 33

1. In order to implement the system a reference level shall be calculated for each country and territory and for each product.
2. This reference level shall correspond to the average of export earnings in the four years preceding each year of application.
3. Where, however, a country or territory:
 - starts processing a product traditionally exported in the raw state, or
 - begins exporting a product which it did not traditionally produce,

the system may be put into operation on the basis of a reference level calculated on the three years preceding the year of application.

Article 34

The relevant authority of a country or territory shall be entitled to request a transfer if, on the basis of the results of a calendar year, its actual earnings, as defined in Article 27, from its exports of each product to the Community and, in the cases referred to in Article 44 (2), to all destinations, are at least 6.5 % below the reference level.

Article 35

Requests for transfers shall be inadmissible in the following cases:

- (a) if the request is presented after 31 March of the year following the year of application;
- (b) if it emerges from the examination of the request, to be undertaken by the Commission in conjunction with the competent authority of the country or territory concerned, that the fall in earnings from exports to the Community is the result of a trade policy of that authority adversely affecting exports to the Community in particular.

Requests for transfers may also be declared inadmissible if it emerges from the dossier, after consultations, that the country or territory in question has recorded earnings from its exports to all destinations during the year of application in excess of the average of its export earnings to all destinations in the four years preceding the year of application for each product for which a request has been made.

Article 36

1. The request for a transfer shall be addressed to the Commission, which shall examine it in conjunction with the competent authority of the country or territory concerned.
2. The difference between the reference level and actual earnings, plus 1 % for statistical errors and omissions, shall constitute the basis of the transfer.
3. Should examination of the trend of the exports of the requesting country or territory to all destinations and of its production of the product in question and of demand in the Community reveal significant changes, consultations shall take place between the Commission and the competent authority of the country or territory concerned to determine whether, and to what extent, those changes are such as to affect the amount of the transfer.

Article 37

1. The Commission shall adopt a transfer decision on completion of the examination carried out in conjunction with the competent authority of the requesting country or territory.
2. For each transfer a transfer agreement shall be concluded between the Commission and the competent authority of the country or territory concerned.
3. The Commission and the competent authority of the country or territory concerned shall take such steps as are required to ensure that transfers are made rapidly. To that end, provision shall be made for the payment of advances.
4. The amounts transferred shall not bear interest.

Article 38

1. The competent authority of the recipient country or territory shall decide how the resources will be used, subject to compliance with the objectives laid down in Article 21.
2. During the examination of the dossier, and in any case before the transfer agreement is signed, the competent authority of the requesting country or territory shall give the Commission some indication of the probable use to which the transfer will be put.
3. Within the 12 months following the signing of the transfer agreement the competent authority of the recipient country or territory shall inform the Commission of the use to which the funds transferred have been put.

Article 39

Subject to Article 43, the competent authorities of countries or territories which have received transfers shall contribute during the seven years following the year in which the transfer was paid, to the replenishment of the resources made available for the system by the Community.

Article 40

1. Where the trend of the export earnings is derived from the product which sustained the drop in export earnings that gave rise to the transfer, the competent authority of the country or territory concerned shall help replenish the resources of the system.

2. For the purposes of paragraph 1, the Commission shall determine:

- at the beginning of each year during the seven years following the year during which the transfer was paid,
- until such time as the whole amount of the transfer has been paid back into the system,
- in accordance with the conditions laid down in Article 27,

whether, for the preceding year:

- (a) the unit value of the product under consideration exported to the Community was higher than the average unit value during the four years prior to the preceding year;
- (b) the quantity of the same product actually exported to the Community was at least equal to the average of the quantities exported to the Community during the four years prior to the preceding year;
- (c) the earnings for the year from the product in question amount to at least 106.5 % of the average of earnings from exports to the Community during the four years prior to the preceding year.

3. If the three conditions set out in paragraph 2 are fulfilled simultaneously, the competent authority of the country or territory shall contribute to the system an amount equal to the difference between the actual earnings derived in the preceding year from exports to the Community and the average of earnings from exports to the Community during the four years prior to the preceding year, but in no case shall the amount of the contribution towards the replenishment of the resources of the system exceed the transfer in question.

4. This amount shall be contributed to the system at the rate of one fifth per year after a period of deferment

of two years beginning in the year during which the obligation to contribute towards replenishment was established.

5. Should examination of the trend of exports to all destinations and of production of the product in question in the country or territory concerned as well as of demand in the Community reveal significant changes, consultations shall be held between the Commission and the competent authority of the country or territory concerned in order to establish whether these changes are such as to justify a contribution to the replenishment of the resources of the system and, if so, to what extent.

Where such justification exists, the competent authority of the country or territory concerned shall contribute to the system, under the conditions set out in paragraph 4, the amount determined in the consultations.

Article 41

If, on expiry of the seven-year period referred to in Article 39, the resources have not been fully replenished, the Council, taking into consideration in particular the situation of and prospects for the balance of payments, exchange reserves and foreign indebtedness of the country or territory concerned, may decide that:

- the sums outstanding are to be replenished, wholly or partially, in one or more instalments,
- rights to repayment are to be waived.

Article 42

1. In order to ensure that the stabilization system functions efficiently and rapidly, statistical and customs cooperation shall be instituted between the competent authorities of each country and territory and the Commission.

2. The competent authorities of the countries and territories and the Commission shall adopt by mutual agreement any measures facilitating *inter alia* the exchange of necessary information, the submission of requests for transfers, the provision of information concerning the use of transfers, and the implementation of the replenishment provisions and of any other aspect of the system by means of the widest possible use of standard forms.

Article 43

For the countries and territories listed in Article 133 (3) and for French Polynesia, no contribution shall be

required towards the replenishment of the resources made available to the system.

Article 44

1. For the countries and territories mentioned in Annex I:

- (a) the percentage fixed in Article 26 shall be 2 %;
- (b) the percentage fixed in Article 34 shall be 2 %;
- (c) their special difficulties shall be taken into account in applying Articles 22, 31 and 34.

2. In the case of certain of the countries and territories listed in Article 133 (3), which do not send the bulk of their exports to the Community, the Council may decide, by way of derogation from Articles 22 and 27, that the system shall apply to their exports of the products in question whatever their destination. The system shall then operate on the basis of the export statistics of the country or territory in question.

Chapter 2

Special undertakings concerning sugar

Article 45

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

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

3. This Article and Annex IV referred to in paragraph 2 shall not apply to relations between the countries and territories and the French overseas departments.

TITLE III

MINERAL PRODUCTS

Chapter 1

Project and programme aid

Article 46

With a view to contributing towards the creation of a more solid basis for the development of the countries

and territories whose economies are largely dependent on the mining sectors and in particular towards helping them cope with a decline in their capacity to export mining products to the Community and the drop in their export earnings corresponding to their decline, a system shall be established to assist these countries and territories in their efforts to remedy the harmful effects on their income of serious temporary disruptions affecting those mining sectors and beyond the control of the countries and territories concerned.

Article 47

The system laid down in Article 46 shall apply to the following products:

- copper, including associated production of cobalt,
- phosphates,
- manganese,
- bauxite and alumina,
- tin,
- roasted iron pyrites and iron ore, whether or not in agglomerate form (including pellets).

If, not sooner than 12 months following the entry into force of this Decision, one or more products not contained in the above list, but upon which the economies of one or more of the countries and territories depend to a considerable extent, are affected by serious disturbance, the Council shall decide, not later than six months after the presentation of a request by the competent authorities of the countries and territories concerned, whether or not to include the said product or products in the list.

Article 48

1. For the purpose specified in Article 46 and for the period of application of this Decision, a special financing facility shall be set up to cover all the Community's commitments under this system.

2. (a) This special financing facility shall be managed by the Commission.
- (b) It shall be divided into a number of equal annual instalments corresponding to the number of years of application. Each year, except the last, the Council, acting on the basis of a report submitted to it by the Commission, may authorize, where required, a maximum of 50 % of the following year's instalment to be used in advance.

(c) Whatever balance remains at the end of each year of application of this Decision, except the last, shall be carried over automatically to the following year.

(d) If the resources available for any year of application are insufficient, the amounts due shall be reduced accordingly.

(e) The resources available for each year of application shall be made up of the following elements:

- the annual instalment, reduced by any amounts used under (b) above;
- the sums carried over under (c) above.

3. Where, pursuant to Article 50, the Community and the competent authority of a country or territory establish for the first time that the conditions for granting aid under the special financing facility are fulfilled, the Council shall determine the overall amount to cover the said special facility. This amount shall be financed in accordance with arrangements adopted by the Council, from the amount allocated to the system for the stabilization of export earnings under Article 28.

4. Before the expiry of the period referred to in Article 141, the Council shall decide on the allocation of any remaining balances.

Article 49

Possible recourse to the means of financing available under the special facility provided for in Article 48 shall be open to the countries and territories eligible under Article 50 when, for a product covered by Article 47 and exported to the Community, a substantial fall is recorded, or can be expected over the following months, in their capacity to produce or to export, or in their export earnings to such an extent as to seriously affect the development policy of the country or territory concerned by seriously compromising the profitability of an otherwise viable and economic line of production, thus preventing it from renewing at a normal rate or maintaining the production plant or export capacity.

The possible recourse referred to above shall also be available when a substantial fall in the production or export capacity is experienced, or is foreseen, owing to accidents and serious technical mishaps or grave political events, whether internal or external.

A substantial fall in production or export capacity shall be taken to mean 10 %.

Article 50

A country or territory which, during the preceding four years, has, as a general rule, derived at least 15 % of its export earnings from a product covered by Article 47 may apply for financial aid from the resources allocated to the special financing facility if the conditions laid down in Article 49 are fulfilled.

However, for the countries and territories listed in Article 133 (3), the figure stipulated in the first paragraph shall be 10 %.

The application for aid shall be made to the Commission, which shall examine it in conjunction with the competent authority of the country or territory concerned. The fact that the conditions have been fulfilled shall be established by common accord between the Community and the competent authority of the country or territory. Notification thereof by the Commission to the competent authority shall entitle the latter to Community aid from the special financing facility.

Article 51

The aid referred to in Article 50 shall be directed to the objectives defined in Article 46.

The amount of this aid to finance projects or programmes shall be determined by the Commission in the light of the funds available under the special financing facility, the nature of the projects or programmes proposed by the competent authorities of the countries and territories concerned and the possibilities for cofinancing. In determining the amount, account shall be taken of the scale of the reduction in production or export capacity and of the losses of earnings suffered by the countries and territories corresponding to those identified in Article 49.

Under no circumstances may a single country or territory be eligible for more than 50 % of the funds available under an annual instalment.

The procedures applicable to assistance in the above circumstances and the implementing arrangements shall be as provided for in Title VI. They shall take account of the need for rapid implementation of the aid.

Article 52

To permit the implementation of precautionary measures to halt deterioration of production plant during the appraisal or implementation of these projects

or programmes, the Community may grant an advance to the competent authority of any country or territory which so requests. This possibility shall not exclude recourse by the country or territory concerned to the emergency aid provided for in Article 117.

Since an advance is granted as a means of prefinancing projects or programmes which it precedes or to which it is preparatory, account shall be taken of the importance and nature of these projects or programmes when the amount of advance is being fixed.

The advance shall take the form of supplies or of the provision of services, or of cash payments if this arrangement is considered more appropriate.

It shall be incorporated in the amount earmarked for Community operations in the form of projects or programmes at the time when the financing agreement relating to such operations is signed.

Article 53

Aid granted from the special financing facility shall be reimbursed on the same terms and conditions as special loans, account being taken of the provisions adopted in favour of the countries and territories listed in Article 133 (3).

Chapter 2**Development of the mining and energy potential of the overseas countries and territories***Article 54*

The Community is prepared to give its technical and financial assistance to help with the exploitation of the mining and energy potential of the countries and territories in accordance with the procedures peculiar to each of the instruments at its disposal and according to the provisions of this Decision.

Article 55

At the request of one or more countries and territories the Community will implement technical assistance measures to strengthen their scientific and technical capacity in the fields of geology and mining in order that they may derive greater benefit from available

know-how and direct their research and exploration programmes accordingly.

Where appropriate, the Community will also give its technical and financial assistance to the establishment of exploration funds in the countries and territories.

In the sphere of research and investment preparatory to the launching of mining and energy projects, the Community may give assistance in the form of risk capital, possibly in conjunction with contributions of capital from the countries or territories concerned and other sources of financing in accordance with the procedures laid down in Article 88.

Article 56

The European Investment Bank, hereinafter called 'the Bank', may, in accordance with its Statute, commit its own resources on a case-by-case basis beyond the amount laid down in Article 83 in mining investment projects and energy investment projects recognized by the competent authority of the country or territory concerned and by the Community as being of mutual interest.

TITLE IV

INDUSTRIAL COOPERATION

Article 57

The Community, acknowledging the pressing need to promote the industrial development of the countries and territories, will take all measures necessary to bring about effective industrial cooperation.

Article 58

Industrial cooperation between the Community and the countries and territories shall have the following objectives:

- (a) to promote new industrial and trade links between the industries of the Community and those of the countries and territories;
- (b) to promote development and diversification of all types of industry in the countries and territories and to foster in this respect cooperation at both regional and inter-regional levels;
- (c) to promote the establishment of integral industries capable of creating links between various industrial

sectors in the countries and territories in order to provide them with the basis on which the build-up of their technology will principally rely;

- (d) to encourage the complementarity between industry and other sectors of the economy, in particular agriculture, by developing agro-allied industries in order to slow down the rural exodus, stimulate food and other production activities as well as to promote the establishment of further natural resource-based industries;
- (e) to facilitate the transfer of technology and to promote the adaptation of such technology to the specific conditions and needs of the countries and territories, and to help them to identify, evaluate and select technologies required for their development and to develop their efforts to increase their capacity in applied research for adaptation of technology, and for training in industrial skills at all levels;
- (f) to foster the participation of nationals subject to the domestic law of a country or territory and established therein in all the types of industry that are being developed in their countries;
- (g) to contribute as far as possible to the creation of jobs for nationals referred to in the preceding subparagraph, to the supply of local and external markets and to the procurement of foreign exchange earnings for those countries and territories;
- (h) to facilitate the overall industrial development of the countries and territories, in particular their production of manufactured goods;
- (i) to encourage the establishment in the countries and territories of joint industrial ventures with the EEC;
- (j) to encourage and promote the establishment and reinforcement of industrial, business and trade associations in the countries and territories which would contribute to the full utilization of their internal resources with a view to developing their local industries;
- (k) to assist in the establishment and operation of institutions in the countries and territories for the provision of regulatory and advisory services to industry;
- (l) to strengthen the existing financial institutions and bring about conditions favourable to capital borrowing for the stimulation of the growth and development of industries in countries and territories, including the promotion of the basic rural small- and medium-scale and labour-intensive industries.

Article 59

In order to attain the objectives set out in Article 58 the Community shall help to carry out, by all the means provided for in this Decision, programmes, projects and schemes submitted to it in the fields of industrial training, small- and medium-sized industries, local processing of raw materials produced by the countries and territories, technology cooperation, industrial infrastructures, trade promotion, energy cooperation and industrial information and promotion.

Article 60

The Community shall provide by all the means available under financial and technical cooperation necessary assistance in the field of industrial training including that related to industrial investments, in particular of the Community and its Member States with a view to enabling countries and territories to acquire, develop and adapt technological skills that are essential to their industrial growth and to the improvement of the quality of life of their peoples.

Article 61

The Community shall contribute to the establishment and development of all types of small- and medium-sized industries identified by the countries and territories as important in terms of their development objectives through financial and technical cooperation schemes adapted to the specific needs of such industries in these countries and territories and through encouragement, by appropriate incentives, of the transfer of relevant resources from Community private undertakings *inter alia* through joint ventures between small- and medium-sized industries of the Community and of the countries and territories.

These schemes shall cover *inter alia*:

- (1) the evaluation of the development potential of the small- and medium-sized industries sector;
- (2) the setting-up and strengthening of information, promotion, advisory, supervisory and credit institutions as well as facilities for the promotion of external and internal marketing;
- (3) the creation of appropriate infrastructure and industrial estates;
- (4) the provision of basic and advanced training;

- (5) the setting-up of adequate structures aimed at appropriate technological transfer, adaptation and innovation;
- (6) the identification of possibilities for subcontracting and facilitating the implementation thereof;
- (7) the financing of schemes for small- and medium-sized industries.

Article 62

In the framework of overall cooperation with respect to industrial development, special emphasis will be placed on the domestic processing of the raw materials of the countries and territories with a view to achieving a larger and equitable share of processed raw materials in both the production and the exports of those countries and territories. In this context, account will be taken, where appropriate, of specific sectoral requirements, with adequate attention being paid to the food processing sector. The Community will contribute through the various means of financial and technical cooperation to:

- (1) the promotion, development and financing of processing industries in the countries and territories;
- (2) feasibility studies;
- (3) the evaluation of processing possibilities and the provision of information on processing technologies;
- (4) the promotion within the Community and other markets of exports of processed products from the countries and territories.

Article 63

With a view to assisting the countries and territories to strengthen their indigenous capacity for scientific and technological development and to facilitating the acquisition, transfer and adaptation of technology on terms that will seek to bring about the greatest possible benefits and minimize costs, the Community, through the instruments of financial and technical cooperation is prepared to contribute *inter alia* to:

- (a) the establishment and strengthening of industry-related scientific and technical infrastructures in the countries and territories;
- (b) the definition and implementation of research and development programmes;
- (c) the identification and creation of possibilities of collaboration among research institutes, institutions

of higher learning and undertakings of countries and territories, the Community, the Member States and other countries;

- (d) the identification, evaluation and acquisition of technology including the negotiation on favourable terms and conditions of foreign technology, patents and other industrial property, in particular through financing and/or through other suitable arrangements with firms and institutions within the Community;
- (e) the provision of advisory services to countries and territories for the preparation of regulations governing the transfer of technology and for the supply of available information, in particular on the terms and conditions of technology contracts, the types and sources of technology, and the experience of countries and territories and other countries with the use of certain technologies;
- (f) the promotion of technology cooperation between countries and territories and between them and other developing countries in order to make best use of any particularly appropriate scientific and technical facilities those countries and territories may possess.

Article 64

The Community shall contribute by all the means available under financial and technical cooperation to the setting-up and the extension in the countries and territories of the infrastructure necessary for industrial development, particularly in the fields of transport and communications, energy, research and adaptation of technology, industrial training and the location of industries.

Article 65

1. The Community shall contribute to the setting-up and the extension in the countries and territories of undertakings in particular in the following fields:
 - (a) integral industries capable of creating linkages between the different sectors of the economy;
 - (b) industries processing natural resources of the countries and territories;
 - (c) industries linked to the development of agriculture and the promotion of agricultural produce;
 - (d) any other line of production which may increase value added locally, have a favourable effect on

employment or the trade balance, facilitate the diversification or regional balance of industry or foster industrial or inter-regional cooperation.

2. Community financing shall take the form, as a matter of priority, of loans from the Bank and risk capital, which are the specific financing methods for industrial undertakings. The methods for employment of risk capital are defined in Title VI with the purpose of their adaptation to the particular difficulties inherent in the financing of industrial undertakings in the countries and territories.

Article 66

In order to enable the countries and territories to obtain full benefit from the trade arrangements and other provisions of this Decision, trade promotion schemes shall be carried out to encourage the marketing of industrial products of the countries and territories both in Community and in other external markets, and also in order to stimulate and develop trade in industrial products among the countries and territories, in accordance with the provisions of Article 81.

Article 67

Programmes, projects or schemes undertaken in the field of industrial cooperation and involving Community financing shall be implemented in accordance with Title VI, account being taken of the particular characteristics of operations in the industrial sector.

Article 68

1. With a view to developing the conventional and non-conventional energy potential and the self-sufficiency of the countries and territories, the Community will assist *inter alia* the following areas:

- (a) preparation of inventories on energy resources and demand, adequate attention being paid to non-commercial energy demand;
- (b) implementation of alternative energy strategies in programmes and projects that will take special account of the experience of the countries and territories and cover *inter alia* wind, solar, geothermal and hydro-energy sources;
- (c) development of the investment potential for the exploration and development of national and regional energy sources as well as the development of sites of exceptional energy production permitting the establishment of energy-intensive industry;

- (d) strengthening of the management and control of the countries and territories of their energy resources in terms of their development objectives by all the means provided for in this Decision;
- (e) establishment of a rural energy programme with emphasis on rural energy technologies and energy planning that meet basic needs;
- (f) promotion of research, adaptation and dissemination of appropriate technology as well as the training needed to meet energy-related manpower needs;
- (g) production in the countries and territories of equipment for the production and distribution of energy as well as the application of energy-saving techniques;
- (h) implementation of measures that will minimize the negative impact of energy production on the environment as well as promote environmentally positive projects;
- (i) conservation of existing and future energy resources of the countries and territories, whether conventional or non-conventional.

2. Programmes, projects or schemes undertaken in the field of energy cooperation and involving Community financing shall be implemented in accordance with Title VI.

Article 69

Industrial information and promotion activities will be undertaken so as to ensure and intensify regular information exchanges and the organization of the necessary contacts in the industrial field between the Community and the countries and territories.

Article 70

At the request of the authorities of the countries and territories responsible for industrialization, the Community shall take measures to establish and strengthen industrial undertakings in these countries and territories, particularly by encouraging initiatives by economic operators of the Community and the countries and territories.

Article 71

Within the framework of the implementation of the provisions of this Title, the Community shall meet the

special needs and problems of the least-developed countries and territories *inter alia* for the processing of their raw materials, the development, transfer and adaptation of technology, the development of small- and medium-sized industries, the development of their infrastructure and energy and mineral resources, and adequate training in the scientific, technological and technical fields.

TITLE V

AGRICULTURAL COOPERATION

Article 72

1. The basic objective of agricultural cooperation between the Community and the countries and territories must be to assist the latter in their efforts to resolve problems relating to rural development and the improvement and expansion of agricultural production for domestic consumption and export and problems they may encounter with regard to security of food supplies for their populations.

2. Accordingly, cooperation in rural development shall contribute in particular, within the general objectives of financial and technical cooperation:

- (a) to a higher standard of living for the rural population, in particular by raising incomes and creating jobs, by means of increasing agricultural production generally;
- (b) to reinforcing the security of the food supplies of the countries and territories and to satisfying their nutritional requirements, particularly by improving the quantity and quality of food production;
- (c) to improving the productivity of and diversifying rural activities, in particular through the transfer of appropriate technology and rational use of crop and livestock resources while protecting the environment;
- (d) to local exploitation of agricultural produce, in particular through the processing of crops and livestock products in the countries concerned;

- (e) to the social and cultural development of the rural community, in particular through integrated health, education and training schemes;
- (f) to increasing the populations' capacity for self-development, notably through greater control over their technical and economic environment.

of the implementation of agricultural cooperation schemes;

- (j) training schemes at all levels for national supervisory staff who will have to take over responsibility for the planning, execution and management of rural development operations and applied agronomic and livestock research projects.

Article 73

In order to help attain the objectives referred to in Article 72, cooperation schemes in the field of rural development shall take the form of *inter alia*:

- (a) integrated rural development projects involving in particular peasant family holdings and cooperatives and also fostering craft and trading activities in rural areas;
- (b) different kinds of hydro-agricultural improvement schemes using available water resources; village water-engineering microprojects, stabilization of water courses and land development involving partial or total water control;
- (c) projects for crop protection, preservation and storage and for marketing agricultural products designed to bring about conditions giving farmers an incentive to produce;
- (d) the establishment of agro-industrial units combining primary agricultural production, processing, and the preparation, packaging and marketing of the finished product;
- (e) stock-farming projects; protection, exploitation and improvement of livestock and the development of livestock products;
- (f) fishery and fish farming projects: exploitation of natural resources and development of new products; preservation and marketing of products;
- (g) exploitation and development of forestry resources for production or environmental protection purposes;
- (h) the implementation of measures to raise the standard of living in rural areas, for example by improving the social infrastructure, drinking water supply and communication networks;
- (i) such applied agronomic and livestock research projects as prove necessary prior to or in the course

Article 74

Programmes, projects or schemes undertaken in the field of agricultural cooperation and involving Community financing shall be implemented in accordance with Title VI, account being taken of the particular characteristics of operations in the agricultural sector.

Article 75

For the purpose of implementing the cooperation schemes referred to in Article 73 and in order to improve the efficiency of the different departments of the countries and territories that deal with rural development, those departments may call on technical assistance in the form of individual experts or consultancy teams, in particular for the following tasks:

- the formulation of rural development policies,
- the identification and preparation of projects in that field,
- project execution, management and evaluation,
- applied research activities,
- the training of national personnel.

Technical assistance shall be provided within the framework of terms of reference specifying the tasks to be accomplished for a period determined in accordance with the provisions of Title VI.

Article 76

At the request of the countries' and territories' authorities responsible for agricultural development, the Community shall take measures to provide those countries and territories with better access to information, research results and the research itself, training and innovations in the agricultural and rural field.

Article 77

In order to enable the countries and territories to derive greater advantage from the opportunities for action in rural development, the Community is ready to contribute from regional cooperation appropriations to initiatives devised and put into effect by two or more countries or territories or by a country or territory and an ACP State, involving production, research or training projects.

Article 78

In the implementation of the provisions of this Title special priority shall be accorded to the specific problems and difficulties of the least-developed countries and territories, particularly in the areas of production, processing, training, research, transport, marketing, packaging and the establishment of storage infrastructure.

TITLE VI

FINANCIAL AND TECHNICAL COOPERATION

Chapter 1

General provisions

Article 79

1. The objective of financial and technical cooperation shall be to promote the economic and social development of the countries and territories.

2. This cooperation shall complement the efforts of the relevant authorities of the countries and territories and shall be in keeping with them. It shall relate to the preparation, financing and implementation of projects and programmes that contribute to the economic and social development of the countries and territories and whose nature is adapted to the needs and characteristics of each of them.

3. It should help the least-developed countries and territories to overcome the specific obstacles which hamper their development efforts.

4. It should encourage the regional cooperation of the countries and territories.

Article 80

1. Financial and technical cooperation shall take account of the need to comply with the conditions specific to each country or territory, especially as regards its development policy, the strategies to be followed, the priorities it has set itself, its potential and its own resources.

2. In this context, projects and programmes shall help achieve some or all of the following effects:

- (a) to give the countries and territories the means of improving and gaining more control over the conditions of their economic and social development;
- (b) to contribute to the sustained and harmonious growth of the economies of the countries and territories by raising the quantity and quality of their production and, hence, their national income, and by correcting structural imbalances, through the diversification and integration of their economies;
- (c) to raise the standard of living of the populations of the countries and territories;
- (d) to enable countries and territories faced with serious economic and social difficulties of an exceptional nature resulting from natural disasters or extraordinary circumstances having comparable effects to benefit from emergency aid.

Article 81

1. Projects and programmes may involve:

- capital projects, including the support costs and running costs defined in Articles 130 and 131,
- technical cooperation.

2. The projects and programmes may, within the framework of the priorities adopted at the programming level as well as within the framework of regional cooperation, apply *inter alia* to:

- rural development, industrialization, craft development, energy, mining, tourism and economic and social infrastructure,
- structural improvement of the productive sectors of the economy,
- protection of the environment,
- prospecting, exploration and exploitation of natural resources,

- training, applied scientific research and applied technology, technological adaptation or innovation and the transfer of technology,
- industrial promotion and information,
- marketing and sales promotion,
- promotion of small- and medium-sized national undertakings,
- microprojects for grassroots development.

3. The funds provided may be used to cover external costs and local expenditure required for the execution of projects and programmes.

4. Financial and technical cooperation may cover current administrative, maintenance and operating expenses which are the responsibility of the countries and territories or any other recipient only on the conditions laid down in Articles 130 and 131.

5. The Community, recognizing the special problems of island countries and territories, and in particular their transport and communication difficulties, within their territories, among themselves, and with the Community, shall give priority attention to appropriate measures aimed at:

- (a) promoting, in the field of air and sea transport, the movement of goods and persons;
- (b) developing sea fishing activities;
- (c) contributing, if necessary, towards exploration for and development of energy resources.

Article 82

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

- (a) the countries and territories;
- (b) regional or inter-state bodies to which one or more countries and territories belong and which are authorized by the relevant authorities of the countries and territories in question.

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

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

- (b) local authorities and private bodies working in the countries and territories concerned for their economic and social development;

- (c) undertakings carrying out their activities in accordance with industrial and business management methods and formed as companies or firms of a country or territory within the meaning of Article 138;

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

- (e) for training purposes, award holders and trainees.

Chapter 2

Financial resources and methods of financing

Article 83

For the period of application of this Decision, the overall amount of the Community's financial assistance shall be 109 million ECU.

This amount shall comprise:

1. 94 million EUA from the European Development Fund, hereinafter referred to as 'the Fund', allocated as follows:

- (a) 85 million EUA for the purposes set out in Articles 79 and 80, consisting of:

- 51 million ECU in the form of grants,
- 27 million ECU in the form of special loans,
- 7 million ECU in the form of risk capital,
- (for the record) in the form of the special financing facility set up under the provisions relating to mineral products;

- (b) for the purposes set out in Title II, up to nine million ECU in the form of transfers for the stabilization of export earnings.

2. For the purposes set out in Articles 79 and 80, up to 15 million ECU in the form of loans from the Bank, made from its own resources in accordance with the terms and conditions provided for in its Statute. These loans shall carry, under the conditions laid down in

Article 87, a 3 % interest rate subsidy, the cost of which shall be charged against the amounts of aid provided for in 1 (a).

3. The amounts provided for in the form of grants and special loans, i. e. 78 million ECU, less the allocations for regional cooperation projects and emergency aid, as provided for in Article 114 (2) and Article 117 respectively and the amount, if any, earmarked for interest subsidies for loans from the Bank, shall be allocated as follows:

- French overseas territories: 20 million ECU,
- Netherlands Antilles: 20 million ECU,
- United Kingdom overseas countries and territories: 20 million ECU.

Article 84

1. Projects or programmes may be financed by grant, or by special loan, or by risk capital, or by loans from the Bank from its own resources, or jointly by two or more of these means of financing.

2. The financing of productive investment projects in industry, agro-industry, tourism, mining and energy production linked with investment in those sectors shall be borne in the first place by loans from the Bank from its own resources and by risk capital.

3. For resources of the Fund which are managed by the Commission the means of financing shall be fixed jointly in accordance with the level of development and the geographical, economic and financial situation of the country or territory or countries or territories concerned, so as to ensure the best use of available resources. Account may also be taken of their economic and social impact.

4. For resources managed by the Bank, the means of financing shall be fixed in accordance with the nature of the project, the prospects for its economic and financial return and the stage of development and economic and financial situation of the country or territory or countries or territories concerned. Account shall be taken in addition of factors guaranteeing the servicing of repayable aid.

5. With the agreement of the competent authorities of the countries or territories concerned, financial aid from the Community may take the form of cofinancing with

participation by, in particular, credit and development agencies and institutions, undertakings, Member States, countries and territories, third countries or international finance organizations.

Article 85

Special loans shall be made for a duration of 40 years, with a grace period of 10 years. They shall bear interest at the rate of 1 % per annum.

Article 86

1. Grants or special loans may be accorded to a country or territory or may be channelled by that country or territory to a final recipient.

2. In the latter case, the terms on which the money may be made available by the intermediate recipient to the final recipient shall be laid down in the financing agreement.

3. Any profit accruing to the intermediate recipient because it receives either a grant or a loan for which the interest rate or the repayment period is more favourable than that of the final loan shall be used by the country or territory in question for development purposes on the conditions laid down in the financing agreement.

4. Taking account of a request by the relevant authorities of the country or territory concerned, the Bank may, in accordance with Article 84 grant finance which it shall administer either directly to the final recipient or via a development bank in the country or territory concerned.

Article 87

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

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

3. The rate of interest shall be the rate charged by the Bank at the time of signing of each loan contract. This rate shall be reduced by 3 % by means of an interest rate subsidy, except where loans are intended for investment in the oil sector.

This interest rate subsidy shall, however, be automatically adjusted so that the interest rate actually borne by the borrower will be neither less than 5 % nor more than 8 %.

4. The aggregate amount of interest rate subsidies, calculated in terms of its value at the time of the signature of the loan contract at a rate and according to detailed rules to be laid down by the Community, shall be charged against the amount of grant aid specified in Article 83 and shall be paid direct to the Bank.

Article 88

1. In order to enable projects to be carried out in industry, agro-industry, mining, tourism, and, in exceptional circumstances, transport and telecommunications, and in energy production linked with investment in those sectors, the Community may, where they are of general interest to the economy of the country or territory or countries or territories concerned, grant financial assistance in the form of risk capital.

2. Risk capital assistance may be used *inter alia* for:

- increasing directly or indirectly the own resources or resources assimilated thereto of public, semi-public or private undertakings and granting quasi-capital assistance to such undertakings,
- financing specific studies for the preparation and the drawing up of projects and providing assistance to undertakings during the start-up period,
- financing research and investment in preparation for the launching of projects in the mining and energy sectors.

3. To attain these objectives the Community may acquire temporary minority holdings in the capital of the undertakings concerned or in that of institutions for financing development in the countries or territories. Such holdings may be acquired in conjunction with a loan from the Bank or with another form of risk-capital assistance. As soon as the conditions are met they shall be transferred, preferably to nationals of the countries or territories.

4. Quasi-capital assistance may also take the form of:

- (a) subordinated loans, which shall be redeemed and in respect of which interest, if any, shall be paid only after other bank claims have been settled;
- (b) conditional loans, the repayment or duration of which shall be governed by terms laid down when the loan is made. Conditional loans may be made directly, with the agreement of the relevant authorities of the country or territory concerned, to a given firm. They may also be granted to a country or territory or to institutions in the countries or territories specializing in development financing to enable them to acquire a holding in the capital of undertakings operating in the sectors referred to in paragraph 1, where such an operation comes under the financing of preparatory or new productive investments and may be supplemented by other Community financing, possibly together with other sources of financing, as a cofinancing operation;
- (c) loans made to development financing institutions in the countries or territories, where the characteristics of their activities and management so permit. Such loans may be used for onlending to other firms and acquiring holdings in other undertakings.

5. The terms of the quasi-capital assistance referred to in paragraph 4 shall be determined case by case by reference to the characteristics of the projects financed. However, the terms on which quasi-capital assistance is granted shall generally be more favourable than those for subsidized loans from the Bank. The interest rate shall not be greater than that on such subsidized loans.

6. Where the assistance referred to in this Article is granted to consultancy firms or is used to finance research or investment in preparation for the launching of a project, it may be incorporated in any capital assistance to which the promoting company may be entitled if the project is carried out.

Article 89

1. Special treatment shall be accorded to the least-developed countries and territories when determining the volume of the financial resources which such countries and territories may expect from the Community.

2. These financial resources shall be combined with particularly favourable terms of financing, having regard to the economic situation and the nature of the needs specific to each country or territory. They shall

consist essentially of grants and, in appropriate cases, of special loans or risk capital.

3. Special loans for the least-developed countries and territories shall be made for a duration of 40 years with a grace period of 10 years. They shall bear an interest rate of 0.75 % per annum.

4. The Community shall as a matter of priority facilitate access for the least-developed countries and territories to risk capital assistance administered by the Bank.

5. Loans from the Bank's own resources may also be granted in the least-developed countries and territories, having regard to the criteria laid down in Article 87.

Chapter 3

Responsibilities

Article 90

1. Operations financed by the Community shall be implemented by the competent authorities of the countries and territories and the Community in close cooperation.

2. The competent authorities of the countries and territories shall be responsible for:

- (a) defining the objectives and priorities on which Community-financed projects shall be based;
- (b) choosing the projects and programmes which they decide to put forward for Community financing;
- (c) preparing and presenting to the Community the dossiers of projects and programmes;
- (d) preparing, negotiating and concluding contracts;
- (e) implementing projects and programmes financed by the Community;
- (f) managing and maintaining operations carried out in the context of financial and technical cooperation.

3. If requested by the competent authorities of the countries and territories the Community may provide

them with technical assistance in performing the tasks referred to in paragraph 2. It shall examine in particular specific measures for alleviating the particular difficulties encountered by the least-developed countries and territories in the implementation of their projects and programmes.

4. The competent authorities of the countries and territories and the Community shall bear joint responsibility for:

- (a) appraising projects and programmes, and examining the extent to which they fit the objectives and priorities and comply with the provisions of this Decision;
- (b) taking the necessary implementing measures to ensure equality of conditions for participation in invitations to tender and contracts;
- (c) evaluating the effects and results of projects and programmes completed or under way;
- (d) ensuring that the projects and programmes financed by the Community are executed in accordance with the arrangements decided upon and with the provisions of this Decision.

5. The Community shall be responsible for preparing and taking financing decisions on projects and programmes, and for defining the general policy and guidelines of financial and technical cooperation.

6. Where the financing of projects within the Bank's sphere of competence is concerned, the arrangements and procedures for implementing financial and technical cooperation, as set out in Chapters 4, 6, 7 and 8, may, in coordination with the countries and territories concerned, be adapted to take account of the nature of the projects financed by the Bank and to permit it, within the framework of the procedures laid down by its Statute, to act in accordance with the objectives of this Decision.

Chapter 4

Programming, appraisal, implementation and evaluation

Article 91

1. The schemes financed by the Community, which are complementary to the efforts of the countries and

territories themselves, shall be integrated into the economic and social development plans and programmes of the said countries and territories and shall tie in with the development objectives and priorities which they set both at national and regional level.

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

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

3. In the light of these various aspects, an optimum pace for overall commitments year by year shall be determined for each country and territory in such a way that the overall amount of sums to be committed each year is distributed as evenly as possible throughout the period of application of this Decision.

4. Any balance remaining from the Fund that has not been committed by the end of the last year of application of this Decision will be utilized until it has been exhausted, in accordance with the same conditions as those laid down in this Decision.

Article 92

1. Preparation of the dossiers of projects or programmes shall be the responsibility of the countries or territories concerned or of other beneficiaries approved by them.

The dossiers must contain all the information necessary for the appraisal of the project.

Where so requested the Community may provide assistance for drawing up the dossiers.

2. Such dossiers shall be officially transmitted to the Community by the competent authorities of the countries or territories or the other beneficiaries specified in Article 82 (1). Where the beneficiaries specified in Article 82 (2) are concerned, the express agreement of the competent authorities of the country or territory or countries or territories concerned shall be required.

3. All projects or programmes transmitted officially in accordance with paragraph 2 shall be brought to the attention of the Community body responsible for taking financing decisions.

Article 93

1. (a) Project and programme appraisal shall be undertaken in close collaboration between the

Community and the competent authorities of the countries and territories or any other beneficiaries.

(b) The various aspects of the projects and programmes shall be appraised, in particular economic, social, technical, financial and administrative aspects.

(c) Appraisal should ensure that the projects and programmes really meet the criteria as defined in paragraph 2.

2. The criteria used for appraising projects and programmes shall be as follows:

(a) projects and programmes must correspond to the objectives and priorities of the countries or territories. They must take account of national efforts and of other resources of external origin and dovetail with them and the provisions of this Decision;

(b) the effectiveness of projects and programmes shall be assessed by means of an analysis comparing the means to be employed with the effects expected from the technical, social, economic and financial aspects; possible variants shall be examined;

(c) projects and programmes shall be assessed for their viability from the viewpoint of the different economic agents involved, be they the country and territory, an undertaking or local communities. This part of the appraisal procedure is to ascertain that the project will produce the expected effects in a period considered normal for the type of scheme concerned.

It is also to make sure that any staff and other resources, in particular financial, necessary for operating and maintaining the capital projects and for covering any incidental project costs are actually available locally.

This shall be achieved by establishing forward budgets and assessing the opportunities for adapting the project to local constraints and resources;

(d) appraisal of the economic return shall be directed at the various effects expected of the project, notably the physical, economic, social and financial effects, if possible on the basis of a cost-benefit analysis;

(e) appraisal must take account of the non-quantifiable effects of projects, and particular attention shall be paid to the effects of the project on the environment.

3. The specific difficulties and constraints peculiar to the least-developed countries and territories which affect the effectiveness, viability and economic return of projects and programmes shall be taken into account when the said projects and programmes are appraised.

Article 94

1. The conclusions of the appraisal shall be summarized in a financing proposal, which shall serve as the basis for the Community's decision.

2. The financing proposals, drawn up by the relevant departments of the Community, shall be transmitted to the countries and territories concerned.

Article 95

1. With a view to accelerating the procedures, financing proposals may deal with multiannual programmes or overall amounts where the financing concerns:

- (a) sets of training schemes,
- (b) microproject programmes,
- (c) sets of technical cooperation and trade promotion schemes.

Financing decisions on individual schemes and projects shall be taken within the framework of such programmes and overall amounts.

2. In the same spirit, decisions on projects and programmes involving a limited amount may be taken by accelerated procedure.

3. Any measures required to streamline and speed up procedures shall be taken in respect of all projects and programmes implemented under this Decision.

Article 96

1. In respect of the Fund's resources administered by the Commission, for any project or programme on which a financing decision has been taken a financing agreement shall be drawn up between the Commission, acting on behalf of the Community, and the competent authorities of the country or territory or countries or territories concerned. The agreement shall specify in particular the details of the Fund's financial commitment and the arrangements for and terms of the financing. A timetable for commitments and payments shall be annexed to the financing agreement.

2. In addition, for any project or programme financed by a special loan, a loan contract shall be drawn up between the Commission, acting on behalf of the Community, and the borrower.

Article 97

Any unexpended balance left upon closure of the accounts of projects or programmes financed from the Fund's resources administered by the Commission shall accrue to the country or territory concerned and shall be so specified in the Fund's books. It may be used in the manner laid down in this Decision for the financing of projects and programmes.

Article 98

1. Cost overruns incurred during the implementation of projects or programmes financed from the Fund's resources administered by the Commission shall be borne by the country or territory or countries or territories concerned, subject to the following provisions.

However, the financing agreements for all projects shall make provision for appropriations to cover cost increases and contingencies.

2. As soon as it appears that cost overruns are likely to be incurred, the Territorial Authorizing Officer shall so inform the Chief Authorizing Officer through the Commission Delegate, indicating the measures he intends to take in order to cover such cost overruns, whether by reducing the scale of the project or programme or by calling on local or other non-Community resources.

3. If it appears impossible to reduce the scale of the project or programme or to cover the cost of overruns by drawing on local or other non-Community resources, the Community body responsible for taking the financing decisions may, in each case, take a supplementary commitment decision and finance the relevant expenditure.

4. Without prejudice to the arrangements provided for in paragraphs 2 and 3, the Territorial Authorizing Officer shall, in coordination with the Chief Authorizing Officer, use the unexpended balances referred to in Article 97 for covering cost overruns on a project or programme, within the limits of a ceiling set at 15 % of the financial commitment for the project or programme concerned.

Article 99

1. Evaluation may be undertaken during the implementation of projects and programmes. The countries and territories concerned and the Community shall draw up a joint progress report, at agreed intervals, on the various aspects of the project and its results.

Such a report may serve to re-orient the project during implementation if a joint decision is taken to this effect.

2. The countries and territories concerned and the Community shall organize the joint evaluation of completed projects and programmes. Evaluation shall concern the results, by comparison with the objectives, and also the administration, operation and maintenance of the schemes. The two Parties shall study the results of such evaluations.

The competent authorities of the Community and of the countries and territories concerned shall each take the appropriate measures called for by the results of the evaluation work.

Chapter 5**Policy and guidelines***Article 100*

1. The Council shall examine at least once a year whether the objectives of financial and technical cooperation are being attained and shall also examine the general problems resulting from implementation of that cooperation. This examination shall also cover regional cooperation and measures in favour of the least-developed countries and territories.

2. To this end the Commission shall submit to the Council an annual report on the management of Community financial and technical aid. This report shall be drawn up in collaboration with the Bank for the parts of the report which concern it. It shall in particular show the position as to the commitment, implementation and use of the aid, broken down by type of financing and by recipient country or territory, and the results of work done to evaluate projects and programmes.

3. On the basis of the information presented by the Commission, the Council shall define, where necessary, the general policy and guidelines of financial and technical cooperation and shall adopt resolutions on the measures to be taken by the Community and by the competent authorities of the countries and territories in order to ensure that the objectives of such cooperation are attained.

Chapter 6**Execution of financial and technical cooperation***Article 101*

The countries and territories, and the other beneficiaries authorized by them in accordance with Article 82, shall implement the projects and programmes financed by the Community.

Accordingly, they shall be responsible in particular for preparing, negotiating and concluding the necessary contracts for the implementation of the operations.

Article 102

1. The Commission shall appoint the Chief Authorizing Officer of the Fund, who shall ensure that financing decisions are carried out and shall be responsible for managing the Fund's resources. To this end, he shall commit, clear and authorize expenditure, and keep the accounts of commitments and authorizations.

2. In close cooperation with the Territorial Authorizing Officer, the Chief Authorizing Officer shall ensure equality of conditions for participations in invitations to tender, and see to it that there is no discrimination and that the tender selected is economically the most advantageous. In this connection the Chief Authorizing Officer shall approve the dossiers before invitations to tender are issued, receive the result of the examination of the tenders and approve the proposal for the placing of the contract, subject to the powers exercised by the Commission Delegate under Article 104.

3. Subject to the powers exercised by the Territorial Authorizing Officer under Article 103, the Chief Authorizing Officer shall take any adaptation measures and commitment decisions necessary to ensure the proper execution of approved projects and programmes under the best economic and technical conditions.

Article 103

1. The competent authorities of each country or territory shall appoint a Territorial Authorizing Officer to represent them in all operations financed from the Fund's resources administered by the Commission.

The Territorial Authorizing Officer may delegate some of his functions and shall inform the Chief Authorizing Officer of any such delegation.

2. In addition to the functions of the Territorial Authorizing Officer in connection with the preparation, submission and appraisal of projects, that Officer shall:

- (a) ensure, in close cooperation with the Chief Authorizing Officer, that there is equality of conditions for participation in invitations to tender, that there is no discrimination and that the tender which is economically the most advantageous is chosen;
- (b) prepare invitation to tender dossiers and submit them to the Delegate for agreement before issuing invitations to tender;
- (c) issue invitations to tender;
- (d) receive tenders, preside over the examination of tenders, decide the outcome of the said examination and transmit it to the Delegate with a proposal for the placing of the contract;
- (e) sign contracts and riders thereto and estimates, and notify the Commission Delegate thereof.

3. The Territorial Authorizing Officer shall clear and authorize expenditure within the limits of the funds assigned. The Officer shall remain responsible for the funds entrusted to him until the Commission authorizes the operations for the execution of which the funds were entrusted to him.

4. During the implementation of projects, and subject to the requirement to inform the Commission Delegate, the Territorial Authorizing Officer shall take any adaptation measures necessary to ensure the proper execution of approved projects or programmes under the best economic and technical conditions.

Accordingly, the Territorial Authorizing Officer shall decide on:

- (a) technical adjustments and alterations on matters of detail, so long as they do not affect the technical

solutions adopted and remain within the limits of the provision for minor adjustments;

- (b) minor alterations to estimates during implementation;
- (c) transfers from item to item within estimates;
- (d) changes of site for multiple-unit projects where justified on technical or economic grounds;
- (e) imposition or remission of penalties for delay;
- (f) acts discharging guarantors;
- (g) purchase of goods, irrespective of their origin, on the local market;
- (h) use of construction equipment and machinery not originating in the Member States or in the countries or territories provided there is no production of comparable equipment and machinery in the Member States or the countries or territories;
- (i) subcontracting;
- (j) final acceptance; however, the Delegate must be present at provisional acceptances and endorse the corresponding minutes and, where appropriate, be present at the final acceptance, in particular where the extent of the reservations recorded at the provisional acceptance necessitates major additional work.

5. For contracts of less than 3.5 million ECU and in general for all contracts to which the accelerated procedure applies, decisions taken by the Territorial Authorizing Officer under the powers vested in that Officer shall be deemed approved by the Commission within 30 days of the notification to the Commission Delegate.

Article 104

1. To facilitate the implementation of this Decision, the Commission shall be represented by Delegates in the countries and territories.

2. The Commission shall give each Delegate the necessary instructions and delegated powers to facilitate and expedite the preparation, appraisal and implementation of projects financed from the Fund's resources administered by it. The Delegate shall work in close cooperation with the Territorial Authorizing Officer and deal with that Officer on behalf of the Commission. In this capacity the Delegate shall:

- (a) approve the invitation to tender dossier wherever invitations to tender are to be issued by accelerated procedure, or in other cases transmit it to the Chief Authorizing Officer for that Officer's agreement;
- (b) be present at the opening of tenders, and receive a copy of them and of the results of their examination;
- (c) approve within one month the Territorial Authorizing Officer's proposal for the placing of the contract wherever the three following conditions are fulfilled: the tender selected is the lowest, it is economically the most advantageous and does not exceed the sum earmarked for the contract;
- (d) approve within one month the proposal for the placing of the contract in all cases where invitations to tender are issued by the accelerated procedure;
- (e) where the conditions set out in (c) are not fulfilled, forward the proposal for the placing of the contract to the Chief Authorizing Officer for agreement; the Chief Authorizing Officer shall decide thereon within two months of the receipt by the Commission Delegate of the final outcome of examination of the tenders and the proposal for the placing of the contract;
- (f) participate in the preparation and negotiation of service contracts.

3. The Delegate shall make sure, on behalf of the Commission, that the projects and programmes financed from the Fund's resources administered by the Commission are properly implemented from the financial and technical angles.

Accordingly, the Delegate shall endorse contracts, riders thereto and estimates, as well as payment authorizations issued by the Territorial Authorizing Officer.

4. Each year the Delegate shall prepare a summary of the Fund's operations in the country or territory in which he or she is the Commission representative. The reports shall be communicated by the Commission to the competent authority of the country or territory concerned.

5. The Delegate shall cooperate with the local authorities in evaluating completed projects and programmes. Reports on the outcome of the evaluation shall be drawn up and communicated to the competent authorities of the countries and territories concerned and to the Commission.

6. The Delegate shall inform the local authorities of Community activities which may directly concern cooperation between the countries and territories and the Community.

7. The Delegate shall maintain continuous contact with the Territorial Authorizing Officer for the purpose of analysing and remedying specific problems encountered in the implementation of financial and technical cooperation.

8. The Delegate shall communicate to the competent authorities of the country or territory all information and relevant documents on the procedures for implementing financial and technical cooperation.

9. The Delegate shall prepare the financing proposals.

Article 105

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

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

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

Chapter 7

Competition and preferences

Article 106

1. As regards operations financed by the Community, participation in invitations to tender and contracts shall be open on equal terms to all natural persons and companies or firms falling within the scope of the Treaty and to all natural persons and companies or firms of the countries and territories.

The companies or firms referred to in the preceding paragraph shall be those defined in Article 138.

2. Measures to encourage the participation of undertakings of the countries and territories in the execution of contracts shall be taken in order to permit optimum use of the natural and human resources of those countries and territories.

3. Paragraph 1 shall not imply that the funds provided by the Community must be used exclusively for purchases of goods or payment for services in the Member States and the countries and territories.

4. Any participation by third countries in contracts financed by the Community must be of an exceptional nature and be authorized case by case, at the reasoned request of the competent authority of the country or territory concerned, by the competent body of the Community. Unless other appropriate factors prevail, account shall be taken of a desire to avoid excessive increases in the cost of projects attributable either to the distances involved and transport difficulties or to the delivery date, notably in the case of the least-developed countries and territories.

5. The Commission and the competent authorities of the country or territory concerned shall take the appropriate measures to provide the Community body with the information needed for a decision on such derogations. This body shall examine the information with particular attention in the case of countries and territories whose geographical location greatly reduces the competitiveness of suppliers and contractors from the Community and the countries and territories.

6. Participation by third countries in contracts financed by the Community may be authorized where the Community participates in the financing of regional or inter-regional cooperation schemes involving third countries and in the joint financing of projects with other providers of funds.

Article 107

1. The competent authorities of the countries and territories and the Commission shall take the necessary measures to ensure the widest possible participation on equal terms in invitations to tender and works and supply contracts financed by the Fund's resources managed by the Commission.

2. The purpose of these measures shall be in particular:

- (a) to ensure advance publication in reasonable time of invitations to tender in the *Official Journal of the European Communities*, the official journals of the countries and territories and any other suitable information media;
- (b) to eliminate discriminatory practices or technical specifications which might stand in the way of widespread participation on equal terms;
- (c) to encourage cooperation between the undertakings of the Member States and of the countries and territories, for example by means of preselection and the creation of groups.

Article 108

1. As a general rule, works and supply contracts financed by the Fund's resources managed by the Commission shall be concluded following an open invitation to tender.

2. However, for operations where the urgency of the situation is recognized or where the nature, minor importance or particular characteristics of the works or supplies so warrant, the competent authorities of the countries and territories may, in agreement with the Commission, exceptionally authorize:

- the placing of contracts after restricted invitations to tender,
- the conclusion of contracts by direct agreement,
- the performance of contracts through public works departments.

3. Furthermore, for operations costing under 3.5 million ECU recourse to public works departments may be authorized where the recipient country or territory has sufficient suitable equipment and qualified staff available in its local departments.

Article 109

To promote the widest possible participation by local undertakings in the performance of works and supply contracts financed from the Fund's resources managed by the Commission:

- (a) an accelerated procedure for issuing invitations to tender shall be used for carrying out works estimated to cost less than 3.5 million ECU. Under this procedure, publication shall be confined to the country or territory concerned and the neighbouring countries and territories and the time limits for the submission of tenders shall be fixed in accordance

with the rules in force in the country or territory concerned.

The use of this accelerated procedure shall not exclude the possibility of the Commission's proposing an international invitation to tender to the competent authorities of the country or territory concerned where the nature of the works to be undertaken or the advantages of wider participation would appear to justify inviting international competition;

- (b) for carrying out works whose value is less than 3.5 million ECU, local undertakings of the countries and territories shall be accorded a 10 % preference where tenders of equivalent economic and technical quality are compared.

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

- (c) for the delivery of supplies, undertakings involved in industrial or craft production of the countries and territories shall be accorded a 15 % preference where tenders of equivalent technical and economic quality are compared.

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

Article 110

In order to ensure the rapid and effective implementation of projects and programmes financed by the Community in the least-developed countries and territories, the Community shall give special priority to the application of specific measures in the following areas:

- the award of contracts following accelerated invitations to tender on the terms specified in Article 109,
- the placing of contracts following restricted invitations to tender and the conclusion of contracts by direct agreement on the terms specified in Article 108,
- the performance of contracts through public works departments on the terms specified in Article 108,
- the placing of service contracts by the Commission, in agreement with the competent authorities of the

country or territory concerned where the scheme is urgent, of minor importance or short duration, particularly in the case of appraisals concerned with the preparation of projects and programmes,

- the arrangement of payment procedures in such a way that the States concerned do not have to bear any prefinancing costs.

Article 111

For each operation the criteria for selecting the tender that is economically the most advantageous shall take into account *inter alia* the qualifications of and the guarantees offered by the tenderers, the nature and conditions of implementation of the works or supplies and the price, operating costs and technical value of those works or supplies.

Where two tenders are acknowledged to be equivalent on the basis of the criteria stated above, preference shall be given to the tender of the local undertaking of a country or territory or, if no such tender is forthcoming, to the one which permits the greatest possible use of the physical and human resources of the countries and territories.

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

Article 112

The general conditions applicable to the award and performance of works and supply contracts financed from the Fund's resources administered by the Commission are contained in the general conditions which, on a proposal from the Commission, shall be adopted by unanimous decision of the Council.

Article 113

Any dispute arising between the authorities of a country or territory and a contractor, supplier or provider of services on the occasion of the placing or performance of a contract financed by the Fund shall be settled by arbitration in accordance with rules of procedure which, on a proposal from the Commission, shall be adopted by unanimous decision of the Council.

Chapter 8

Regional cooperation

Article 114

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

- (a) accelerate economic cooperation and development both within and between the regions of the countries and territories;
- (b) accelerate diversification of the economies of the countries and territories;
- (c) reduce the economic dependence of the countries and territories on imports by maximizing output of those products for which the countries and territories in question have real potential;
- (d) create sufficiently wide markets within the countries and territories and neighbouring countries by removing the obstacles which hinder the development and integration of those markets;
- (e) promote and expand trade between the countries and territories and with neighbouring third countries;
- (f) maximize the use of resources and services in the countries and territories;
- (g) strengthen organizations set up by the countries and territories to promote regional cooperation and integration;
- (h) implement specific measures in favour of the island countries, and territories notably in respect of transport and communications.

2. To this end, an amount of 11 million ECU from the financial resources provided for in Article 83 for the economic and social development of the countries and territories shall be reserved for financing their regional and inter-regional projects.

Article 115

1. Within the meaning of the Decision, regional cooperation shall apply to relations either between two or more countries or territories, or between one or more

countries or territories on the one hand and one or more neighbour developing third countries on the other.

Inter-regional cooperation shall apply to relations between one or more countries or territories and a regional organization.

2. Within the meaning of the Decision, regional projects are those which help directly to solve a development problem common to two or more countries through joint schemes or coordinated local schemes.

Article 116

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

Chapter 9

Emergency aid

Article 117

1. Emergency aid may be granted to countries and territories faced with serious economic and social difficulties of an exceptional nature resulting from natural disasters or extraordinary circumstances having comparable effects.

2. For the purpose of financing the emergency aid referred to in paragraph 1, a special appropriation shall be constituted within the Fund.

3. (a) The special appropriation shall initially be fixed at one million ECU. At the end of each year of application of this Decision this appropriation shall be restored to its initial level.

(b) The total amount of monies which may be transferred from the Fund to the special appropriation during the period of application of this Decision may not exceed 3.25 million ECU.

(c) Upon expiry of this Decision any monies transferred to the special appropriation which have not been committed for emergency aid shall be returned to the Fund proper for financing

other schemes falling within the scope of financial and technical cooperation, unless the Council decides otherwise.

- (d) In the event of the special appropriation being exhausted before the expiry of this Decision, the countries and territories and the Community shall adopt appropriate measures to deal with the situations described in paragraph 1.

4. Emergency aid shall be non-reimbursable. It shall be allocated on a case by case basis.

5. (a) Emergency aid shall help finance the most suitable means of remedying as effectively and speedily as possible the serious difficulties referred to in paragraph 1.

- (b) These means may consist of works, supplies or the provision of services and cash payments and, in exceptional cases, reimbursement in whole or in part of the sums already spent by the country or territory on implementing schemes included in the financing agreement relating to the emergency aid in question.

- (c) The country or territory receiving emergency aid shall obtain its supplies from the markets of the Community, countries or territories or third countries under the conditions laid down in Article 106.

- (d) Where appropriate, such aid may, with the agreement of the competent authorities of the country or territory concerned, be implemented via specialized agencies or directly by the Commission.

6. Emergency aid shall not be used for dealing with the harmful effects of the instability of export earnings, which are the subject of Title II.

7. The detailed rules for the allocation of such aid shall be the subject of an emergency procedure. The conditions governing the payment and implementation of such aid shall be determined on a case-by-case basis; advances may be granted by the Territorial Authorizing Officer where implementation is based on an estimate.

8. (a) Operations financed by emergency aid must be carried out as quickly as possible and, whatever the circumstances, the monies must be used within six months of the implementing arrangements being established, unless otherwise stipulated by those arrangements and provided that it is not agreed by common accord during the implementation period, to extend that time limit owing to extraordinary circumstances.

- (b) Where the monies made available have not all been used up within the time limit set, the fund commitment may be reduced to an amount corresponding to the monies used within that time limit.

- (c) The unexpended portion shall then be paid back into the special appropriation.

Chapter 10

Technical cooperation

Article 118

The technical cooperation referred to in Article 81 shall cover the following:

- (a) general studies, notably in the technical, economic, organizational, training or management spheres;
- (b) studies for a particular project or programme;
- (c) supervisory, advisory or administrative services or provision of technical cooperation personnel at the implementation stage of a project or programme;
- (d) technical cooperation services other than those linked to the implementation of a project or programme.

Article 119

1. Technical cooperation may be either linked with projects or programmes or of a general nature.

2. Technical cooperation linked with projects or programmes comprises *inter alia*:

- (a) development studies;
- (b) technical, economic, financial and commercial studies, and research and surveys required to prepare projects or programmes;
- (c) help with the preparation of dossiers;
- (d) help with the implementation and supervision of work;
- (e) temporarily meeting the cost of technicians and providing the resources needed for them to accomplish their assignment;

- (f) technical cooperation measures which may be required temporarily to permit the establishment, launching, operation or maintenance of a specific project, including where necessary appropriate technical assistance and the training of nationals of the country or territory or countries or territories concerned.

3. General technical cooperation comprises *inter alia*:

- (a) studies of the prospects and means for economic development and diversification in the countries and territories, and of problems of interest to groups of countries and territories or to the countries and territories as a whole;
- (b) sectoral or product studies;
- (c) the provision in the countries and territories of experts, advisers, technicians and instructors of the Member States or the countries and territories for specific assignments and for limited periods;
- (d) the supply of instructional, experimentation and demonstration equipment;
- (e) general information and documentation to promote the development of the countries and territories and the achievement of the aims of cooperation.

4. At the request of the competent authorities of the least-developed countries and territories the Community shall give special priority to technical cooperation schemes aimed at:

- (a) identifying, preparing and carrying out projects and programmes;
- (b) facilitating the implementation of the system for the stabilization of export earnings;
- (c) promoting technical cooperation between countries and territories;
- (d) carrying out studies and research work directed towards solving specific economic and social development problems, in particular as regards technological adjustment to the special conditions and features of the least-developed countries and territories.

Article 120

1. Technical cooperation shall be provided under service contracts concluded with consultancy firms or consulting engineers or experts recruited with reference to their professional qualifications and practical

experience of problems of the type to be dealt with. Given equal competence, preference will be given to experts or consultancy firms of a country or territory. In exceptional cases technical cooperation may also be undertaken through public works departments.

2. In order to speed up the procedures, service contracts, including those covering the recruitment of consultants and other technical assistance specialists, may be negotiated, drawn up and concluded by the Commission in agreement with the competent authorities of the country or territory concerned, where the scheme is urgent, of minor importance or short duration, particularly in the case of appraisals concerned with the preparation of projects and programmes.

Article 121

1. Technical cooperation in training shall be based on multiannual training programmes and specific schemes.

2. The aim of the multiannual programmes shall be:

- (a) to train nationals of the countries or territories in accordance with the educational and vocational training priorities expressed by the countries or territories;
- (b) to train staff, notably middle management and technical staff, associated with the different development projects being financed by the Community in each country or territory so as to phase out technical assistance and to staff capital projects entirely with nationals of the countries and territories on a permanent basis.

3. The specific schemes shall deal with vocational training, technological research and innovation at country or territory or regional organization level. Their aim shall be to provide vocational or advanced training for the staff of public services and institutions and of agricultural, industrial and commercial undertakings and services as well as training for instructors in these different fields.

4. Technical cooperation in the field of training shall be achieved through:

- (a) awards to nationals of the countries and territories for studies and training courses;

- (b) the provision in the countries and territories of experts and instructors who are nationals of the Member States or the countries and territories, for specific assignments and for limited periods;
- (c) the organization of seminars and training and advanced training courses for nationals of the countries and territories;
- (d) the supply of teaching, instructional, experimentation, demonstration and research equipment.

The above activities shall as a matter of priority be undertaken in the recipient country or territory or at regional level. They may where necessary be undertaken in another country or territory or in a Member State. In the case of specialized training particularly suited to the requirements of the countries or territories, training may in exceptional cases be provided in another developing country.

5. At the request of the competent authorities of the least-developed countries and territories, the Community shall give special priority to schemes concerned with:

- (a) training for management and other staff of public administrative departments and of the technical departments responsible for economic and social development, with the aim of increasing their efficiency and thus deriving maximum benefit from the possibilities offered by this Decision;
- (b) basic and further training for management and other staff in the private sector.

Article 122

The rules governing the placing and award of service contracts shall be determined by a unanimous decision of the Council.

However, until the entry into force of that decision, Articles 2 to 24 of Annex V to Decision 76/568/EEC and the Joint Declaration on Article 23 of the said Annex shall apply to service contracts concluded after 1 March 1980.

Article 123

Where a country or territory has, within its administrative and technical staff, local personnel making up a substantial part of the workforce necessary for the execution by the public works department of a technical cooperation project, the Community may, in exceptional cases, contribute to the costs of the public

works department by providing certain apparatus that it lacks, or supply the required additional staff in the form of experts from a Member State or another country or territory.

The participation of the Community shall cover only costs incurred by supplementary measures and temporary expenditure relating to execution strictly confined to the requirements of the project in question and shall exclude all current operational expenditure.

Chapter 11

Technical assistance and the financing of small- and medium-sized undertakings

Article 124

1. The Community shall finance schemes in favour of small- and medium-sized undertakings in the countries and territories. The methods of financing shall be determined by reference to the nature of the programmes presented.

2. Technical cooperation from the Community shall help to reinforce the activities of bodies in the countries or territories that are working for the development of small- and medium-sized undertakings and to provide the necessary vocational training for such undertakings.

3. Community financing, undertaken in the form of loans or possibly grants, shall as a general rule be through an intermediary. Such financing may also be direct. Financing through an intermediary shall be given priority wherever there exists in the country or territory concerned a bank or other local body contributing to the aim in question.

Finance through an intermediary may be accorded:

- by the Bank from the resources administered by it to banks or financial institutions for onlending to small- and medium-sized industrial, agro-industrial or tourist undertakings,
- by the Commission from the resources administered by it to public bodies, local authorities or cooperatives aimed at developing craft, commercial and agricultural sectors.

4. Where the financing is undertaken via an onlending body, it shall be that body's responsibility to present

individual projects within the programme already approved and to administer the monies placed at its disposal. The methods, terms and conditions for financing the final recipient shall be determined by mutual agreement between the competent authorities of the country or territory concerned, the competent Community authority and the onlending body.

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

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

Chapter 12

Microprojects

Article 125

1. In order to respond concretely to the needs of local communities with regard to development, the Fund shall participate in the financing of microprojects at the request of the relevant authorities of the countries and territories.

2. To this end, the corresponding funds shall be deducted from the grants provided for in the first indent of Article 83 (1) (a) to cover commitments relating to this type of scheme.

3. Special priority shall be accorded to the preparation and implementation of microprojects in the least-developed countries and territories.

Article 126

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

- meet a real priority need at local level,
- ensure the active participation of the local community.

The Fund's contribution to each microproject may not exceed 150 000 ECU.

2. Programmes for microprojects shall cover small projects making an economic and social impact on the life of the people and the local communities in the countries and territories. These projects shall normally be located in rural areas; however, the Community may also assist in the financing of microprojects in urban areas.

3. Microprojects shall include: dams, wells and water supply systems, silos and warehouses for storing provisions and crops, rural electrification, rural service tracks and bridges, rural landing strips, jetties, animal vaccination pens and corridors, primary schools, training colleges, craft industries such as centres and cooperatives, maternity homes, social assistance centres, community centres, market buildings, urban sanitation and land development, premises to encourage commercial activity and other projects which meet the criteria referred to in paragraph 1.

Article 127

1. Each project for which Community assistance is requested must stem from an initiative taken by the local community which will benefit therefrom. The financing of microprojects shall in principle have a tripartite structure and shall stem from:

- the community concerned, in the form of a contribution, in cash or in kind or through the provision of services adapted to its capacity to contribute,
- the country or territory, in the form of a financial contribution, the use of public equipment or the supply of services,
- the Fund.

2. The total of the shares contributed by the country or territory and the local community concerned must normally be at least equal to the grant requested from the Fund. The three participants' contributions shall be mobilized at the same time. For each project, the local community shall undertake to maintain and run the project, in conjunction with the local authorities as appropriate.

Article 128

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

After examination by the Commission's departments these programmes shall be submitted to the relevant

bodies of the Community for financing decisions in accordance with Article 94.

2. Within the framework of the annual programmes thus drawn up the financing decision relating to each microproject shall be taken by the competent authority of the country or territory concerned, with the agreement of the Commission Delegate; agreement shall be deemed to be given once a month has elapsed from notification of such decision.

3. Upon completion of each microproject programme the country or territory concerned, in consultation with the Commission Delegate, shall forward a report on its implementation to the Commission.

Chapter 13

Taxation, customs and other provisions

Article 129

The taxation and customs arrangements applicable in the countries and territories to contracts financed by the Community are covered by Annex VII.

Article 130

1. The financing of projects and programmes may cover expenditure incurred in and strictly limited to the start-up period, for example, for the maintenance and operation of plant that is not yet fully productive, provided that such expenditure, identified in the financing proposal, is considered necessary for setting up, launching and operating the capital projects in question.

2. Special priority shall be accorded to the financing of support costs in the least-developed countries and territories.

Article 131

1. Pursuant to Article 81 (4), running costs may be financed as specified in paragraphs 2, 3 or 4 of this Article.

2. The financing of running costs may serve to cover the costs of operating, maintaining or managing capital

projects implemented previously, in order to ensure that full use is made of such projects, in particular by providing maintenance equipment and/or carrying out large-scale repair work.

3. Such aid shall be provided temporarily and on a diminishing scale.

4. It must be confined to exceptional cases, account being taken of the needs and resources of each country or territory concerned.

5. Special priority shall be accorded to the financing of running costs in the least-developed countries and territories.

Article 132

Upon expiry of this Decision:

- the appropriations provided for under Article 83 in the form of risk capital but not committed shall be added to those provided for in the form of special loans in the same Article,
- the appropriations provided for under Article 114 for financing regional projects but not committed shall be made available for financing other projects and programmes in the same sub-region.

TITLE VII

GENERAL PROVISIONS CONCERNING THE LEAST-DEVELOPED COUNTRIES AND TERRITORIES

Article 133

1. Under this Decision the least-developed countries and territories are accorded special treatment in order to enable them to overcome the specific difficulties and obstacles resulting from the nature of their needs and to take full advantage of the opportunities offered by this Decision.

2. The specific provisions laid down pursuant to this Title in respect of the least-developed countries and territories are contained in Articles 43, 44, 89, 90, 93, 106, 119, 121, 125, 130 and 131.

3. In accordance with their needs and individual characteristics, the countries and territories referred to below shall be eligible for the special treatment referred to in this Article:

Anguilla	St Helena
Antigua	St Kitts-Nevis
Belize	Turks and Caicos Islands
Mayotte	Wallis and Futuna Islands
Montserrat	

4. The list of countries and territories in paragraph 3 may be amended by decision of the Council where the economic situation of a country or territory undergoes a significant and lasting change either so as to necessitate its inclusion in the category of least-developed countries and territories or so that its inclusion in that category is no longer warranted.

TITLE VIII

PROVISIONS RELATING TO PAYMENTS AND CAPITAL MOVEMENTS, ESTABLISHMENT AND SERVICES

Chapter 1

Provisions relating to current payments and capital movements

Article 134

With regard to capital movements linked with investments and to current payments, the competent authorities of the countries and territories and the Member States shall refrain from taking action in the field of foreign exchange transactions which would be incompatible with their obligations under this Decision resulting from the provisions relating to trade in goods, services, establishment and industrial cooperation. These obligations shall not, however, prevent adoption of the necessary protective measures should this be justified by reasons relating to serious economic difficulties or severe balance of payments problems.

Article 135

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

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

Article 136

Throughout the duration of the loans and risk capital operations provided for in Article 83, the competent authorities of the countries and territories are required:

- to place at the disposal of the beneficiaries referred to in Article 82 the currency necessary for the payment of interest and commission on and amortization of loans and quasi-capital aid granted for the implementation of aid measures on their territory,
- to make available to the Bank the foreign currency necessary for the transfer of all sums received by it in national currency which represent the net revenue and proceeds from transactions involving the acquisition by the Community of holdings in the capital of firms.

Chapter 2

Provisions relating to establishment and services

Article 137

As regards the arrangements that may be applied in matters of establishment and provision of services, the competent authorities of the countries and territories shall treat nationals and companies or firms of Member States on a nondiscriminatory basis. However, if, for a given activity, a Member State is unable to provide similar treatment to nationals or companies or firms of the French Republic, the Kingdom of the Netherlands or the United Kingdom of Great Britain and Northern Ireland, established in a country or territory, or to companies or firms subject to the laws of the country or territory concerned and established therein, the relevant authorities of that country or territory shall not be bound to accord such treatment.

Article 138

For the purposes of this Decision 'companies or firms' means companies or firms constituted under civil or commercial law, including cooperative societies and

other legal persons governed by public or private law, save for those which are nonprofitmaking.

'Companies or firms of Member States' means companies or firms formed in accordance with the law of a Member State and whose registered office, central administration or principal place of business is in a Member State; however, a company or firm having only its registered office in a Member State must be engaged in an activity which has an effective and continuous link with the economy of that Member State.

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

'Companies or firms subject to the laws of the country or territory concerned and established therein' means companies or firms formed in accordance with the law applicable in a given country or territory and whose registered office, central administration or principal place of business is in that country or territory; however, a company or firm having only its registered office in that country or territory must be engaged in an activity which has an effective and continuous link with the economy of that country or territory.

TITLE IX

GENERAL AND FINAL PROVISIONS

Article 139

Subject to the special provisions regarding the relations between the countries and territories and the French Overseas Departments provided for herein, this Decision shall apply, on the one hand to the territories in which the Treaty establishing the European Economic Community is applied and under the conditions laid down in that Treaty and, on the other hand, to the territories of the countries and territories.

Article 140

This Decision shall enter into force at the same time as the Second ACP-EEC Convention, signed at Lomé on 31 October 1979.

Article 141

This Decision shall expire on 28 February 1985.

Article 142

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

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

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

Article 143

If a country or territory becomes independent, the Council, acting unanimously on a proposal from the Commission, shall decide on any necessary adjustments to this Decision, in particular to the amounts specified in Article 83.

Article 144

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

Article 145

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

Done at Brussels, 16 December 1980.

For the Council

The President

Colette FLESCH

ANNEX I

List of the countries and territories referred to in Article 1

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

1. Overseas countries of the Kingdom of the Netherlands:
 - the Netherlands Antilles (Aruba, Bonaire, Curaçao; St Martin, Saba, St Eustatius).
 2. Overseas territories of the French Republic:
 - New Caledonia and Dependencies,
 - Wallis and Futuna Islands,
 - French Polynesia,
 - French Southern and Antarctic Territories.
 3. Territorial Collectivity of the French Republic:
 - Mayotte.
 4. Overseas countries and territories of the United Kingdom of Great Britain and Northern Ireland:
 - Belize,
 - Associated States in the Caribbean (Anguilla, Antigua, St Kitts-Nevis),
 - Cayman Islands,
 - Falkland Islands and Dependencies,
 - Turks and Caicos Islands,
 - British Virgin Islands,
 - Montserrat,
 - Pitcairn,
 - St Helena and Dependencies,
 - British Antarctic Territory,
 - British Indian Ocean Territory.
 5. Country having special relations with the United Kingdom of Great Britain and Northern Ireland
 - Brunei.
-

ANNEX II

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

TITLE I

Definition of the concept of originating products

Article 1

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

(a) products originating in the Community:

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

(b) products originating in the countries and territories:

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

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

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

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

This paragraph shall be applicable on condition that the products in question were transported within the meaning of Article 5.

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

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

This paragraph shall be applicable on condition that the products in question were transported within the meaning of Article 5.

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

6. The products in List C in Annex 4 shall be temporarily excluded from the scope of this Annex. Nevertheless, the arrangements regarding administrative cooperation shall apply *mutatis mutandis* to these products.

Article 2

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

- (a) mineral products extracted from their soil or from their seabed;
- (b) vegetable products harvested therein;

- (c) live animals born and raised therein;
- (d) products from live animals raised therein;
- (e) products obtained by hunting or fishing conducted therein;
- (f) products of sea fishing and other products taken from the sea by their vessels;
- (g) products made aboard their factory ships exclusively from products referred to in subparagraph (f);
- (h) used articles collected there fit only for the recovery of raw materials;
- (i) waste and scrap resulting from manufacturing operations conducted therein;
- (j) goods produced there exclusively from products specified in subparagraphs (a) to (i).

Article 3

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

- (a) working or processing as a result of which the goods obtained receive a classification under a heading other than that covering each of the products worked or processed, except, however, working or processing specified in List A in Annex 2, where the special provisions of that list apply;
- (b) working or processing specified in List B in Annex 3.

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

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

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

- (a) operations to ensure the preservation of merchandise in good condition during transport and storage (ventilation, spreading out, drying, chilling, placing in salt, sulphur dioxide or other aqueous solutions, removal of damaged parts, and like operations);
- (b) simple operations consisting of removal of dust, sifting or screening, sorting, classifying, matching (including the making-up of sets of articles), washing, painting, cutting up;
- (c) (i) changes of packaging and breaking up and assembly of consignments;
- (ii) simple placing in bottles, flasks, bags, cases, boxes, fixing on cards or boards, etc., and all other simple packing operations;
- (d) affixing marks, labels or other like distinguishing signs on products or their packaging;
- (e) (i) simple mixing of products of the same kind where one or more components of the mixtures do not meet the conditions laid down in this Annex to enable them to be considered as originating in the Community, in the countries and territories or in an ACP State;
- (ii) simple mixing of products of different kinds unless one or more components of the mixture meet the conditions laid down in this Annex to enable them to be considered as originating in the Community, in the countries and territories or in an ACP State, and provided that this component or these components contribute in determining the essential characteristics of the finished product.
- (f) simple assembly of parts of articles to constitute a complete article;
- (g) a combination of two or more operations mentioned in subparagraphs (a) to (f);
- (h) slaughter of animals.

Article 4

Where the Lists A and B referred to in Article 3 provide that goods obtained in the Community or in one or more countries or territories shall be considered as originating therein only if the value of the products

worked or processed does not exceed a given percentage of the value of the goods obtained, the values to be taken into consideration for such percentage shall be:

- on the one hand, as regards products whose import can be proved: their customs value at the time of import; and, as regards products of undetermined origin: the earliest ascertainable price paid for such products in the Community or in one of the countries and territories where manufacture takes place,
- and on the other hand, the ex-works price of the goods obtained, less internal taxes refunded or refundable on exportation.

Article 5

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

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

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

- (a) a through bill of lading issued in the exporting Member State, country or territory covering the passage through the country of transit;
- (b) or a certificate issued by the customs authorities of the country of transit:

- giving an exact description of the goods,
- stating the dates of unloading and reloading of the goods or of their embarkation or disembarkation, identifying the ships used,
- certifying the conditions under which the goods remained in the transit country;

(c) or failing these, any substantiating documents.

TITLE II

Arrangements for administrative cooperation

Article 6

1. (a) Evidence of originating status, within the meaning of this Annex, of products is given by a movement certificate EUR.1 of which a specimen is given in Annex 5.
- (b) However, the evidence of originating status, within the meaning of this Annex, of products which form the subject of postal consignments (including parcels), provided that they consist only of originating products and that the value does not exceed 1 420 European units of account per consignment, is given by a form EUR.2, of which a specimen is given in Annex 6.
- (c) Up to and including 30 April 1981 the European unit of account to be used in any given national currency of a Member State of the Community shall be the equivalent in the national currency of that country of the European unit of account as at 30 June 1978. For each successive period of two years it shall be the equivalent in the national currency of that country of the European unit of account as at the first working day in October in the year immediately preceding that two-year period.
- (d) Revised amounts replacing the amounts expressed in European units of account mentioned above and in Article 16 (2), may be introduced by the Community at the beginning of any successive two-year period, if necessary. These amounts shall be, in any event, such as to ensure that the value of the limits as expressed in the national currency of a given country shall not decline.

- (e) If the goods are invoiced in the currency of another Community Member State the importing Member State or country or territory shall recognize the amount notified by the Member State concerned.
2. Where, at the request of the person declaring the goods at the customs, a dismantled or non-assembled article falling within Chapter 84 or 85 of the Customs Cooperation Council Nomenclature is imported by instalments on the conditions laid down by the competent authorities, it shall be considered to be a single article and a movement certificate may be submitted for the whole article upon import of the first instalment.
3. Accessories, spare parts and tools despatched with a piece of equipment, machine, apparatus or vehicle which are part of the normal equipment and included in the price thereof or are not separately invoiced are regarded as one with the piece of equipment, machine, apparatus or vehicle in question.
4. Sets, as defined in General Rule 3 of the Customs Cooperation Council Nomenclature, shall be regarded as originating when all component articles are originating products. Nevertheless, when a set is composed of originating and non-originating articles, the set as a whole shall be regarded as originating provided that the value of the non-originating articles does not exceed 15 % of the total value of the set.

Article 7

1. A movement certificate EUR.1 shall be issued by the customs authorities of the exporting Member State or country or territory when the goods to which it relates are exported. It shall be made available to the exporter as soon as actual exportation has been effected or ensured.
2. In exceptional circumstances a movement certificate EUR.1 may also be issued after exportation of the goods to which it relates if it was not issued at the time of exportation because of errors or involuntary omissions or special circumstances. In this case, the certificate shall bear a special reference to the conditions in which it was issued.
3. A movement certificate EUR.1 shall be issued only on application having been made in writing by the exporter. Such application shall be made on a form, of which a specimen is given in Annex 5, which shall be completed in accordance with this Annex.

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

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

Article 8

1. The movement certificate EUR.1 shall be issued by the customs authorities of the exporting Member State, country or territory, if the goods can be considered 'originating products' within the meaning of this Annex.
2. For the purpose of verifying whether the conditions stated in paragraph 1 have been met, the customs authorities shall have the right to call for any documentary evidence or to carry out any check which they consider appropriate.
3. It shall be the responsibility of the customs authorities of the exporting Member State, country or territory to ensure that the forms referred to in Article 9 are duly completed. In particular, they shall check whether the space reserved for the description of the goods has been completed in such a manner as to exclude all possibility of fraudulent additions. To this end, the description of the goods must be indicated without leaving any blank lines. Where the space is not completely filled a horizontal line must be drawn below the last line of the description, the empty space being crossed through.
4. The date of issue of the movement certificate must be indicated in the part of the certificate reserved for the customs authorities.

Article 9

1. Movement certificates EUR.1 shall be made out on the form of which a specimen is given in Annex 5. This form shall be printed in one or more of the official languages of the Community. Certificates shall be made out in one of these languages and in accordance with the provisions of the domestic law of the exporting Member State, country or territory; if they are handwritten, they shall be completed in ink and in capital letters.
2. Each certificate shall measure 210 × 297 mm, a tolerance of up to plus 8 mm or minus 5 mm in the length may be allowed. The paper used must be white writing paper, sized, not containing mechanical pulp

and weighing not less than 25 g/m². It shall have a printed green guilloche pattern background making any falsification by mechanical or chemical means apparent to the eye.

3. The exporting Member States and the relevant authorities of the exporting countries and territories may reserve the right to print the certificates themselves or may have them printed by approved printers. In the latter case, each certificate must include a reference to such approval. Each certificate must bear the name and address of the printer or a mark by which the printer can be identified. It shall also bear a serial number, either printed or not, by which it can be identified.

Article 10

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

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

Article 11

1. A movement certificate EUR.1 must be submitted, within 10 months of the date of issue of the customs authorities of the exporting Member State, country or territory, to the customs authorities of the importing Member State, country or territory where the goods are entered.

2. It shall at any time be possible to replace one or more movement certificates EUR.1 by one or more other movement certificates EUR.1 provided that this is done at the customs office where the goods are located.

Article 12

Movement certificates EUR.1 shall be submitted to customs authorities in the importing Member State, country or territory, in accordance with the procedures laid down by that Member State, country or territory. The said authorities may require a translation of a certificate. They may also require the import declaration to be accompanied by a statement from the importer to the effect that the goods meet the conditions required for the implementation of the Decision.

Article 13

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

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

Article 14

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

Article 15

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

Form EUR.2 shall consist of a single sheet measuring 210 × 148 mm. The paper used shall be white writing paper, sized, not containing mechanical pulp and weighing not less than 64 g/m².

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

A form EUR.2 shall be completed for each postal consignment. After completing and signing the form, the exporter shall, in the case of consignments by parcel post, attach the form to the despatch note. In the case of consignment by letter post, the exporter shall insert the form inside the package.

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

Article 16

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

2. Imports which are occasional and consist solely of goods for the personal use of the recipients or travellers or their families shall not be considered as imports by way of trade if it is evident from the nature and quantity of the goods that no commercial purpose is in view. Furthermore, the total value of these goods must not exceed 90 European units of account in the case of small packages or 285 European units of account in the case of the contents of travellers' personal luggage.

Article 17

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

- (a) an exporter has consigned these goods from the Community or from a country or territory to the country in which the exhibition is held and has exhibited them there;
- (b) the goods have been sold or otherwise disposed of by that exporter to someone in the Community or in a country or territory;
- (c) the goods have been consigned during the exhibition or immediately thereafter to the Community in the state in which they were sent for exhibition;

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

2. A movement certificate EUR.1 must be produced to the customs authorities in the normal manner. The name and address of the exhibition must be indicated thereon. Where necessary, additional documentary evidence of the nature of the goods and the conditions under which they have been exhibited may be required.

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

Article 18

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

- indicate the place and date of exportation of the goods to which the certificate relates,
- certify that no movement certificate EUR.1 was issued at the time of exportation of the goods in question, and state the reasons.

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

Certificates issued retrospectively must be endorsed with one of the following phrases: 'NACHTRÄGLICH AUSGESTELLT', 'DÉLIVRÉ A POSTERIORI', 'RILASCIATO A POSTERIORI', 'AFGEGEVEN A POSTERIORI', 'ISSUED RETROSPECTIVELY', 'UDSTEDT EFTERFØLGENDE'.

Article 19

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

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

Article 20

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

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

Article 21

The information certificate concerning the products taken into use shall be issued at the request of the exporter of these products, either in the circumstances envisaged in Article 20 (2), or at the initiative of this exporter, by the competent customs office in the State, country or territory from which these goods were exported. It shall be made out in duplicate. One copy shall be given to the exporter who has requested it, who shall send it either to the exporter of the final products or to the customs office where the issue of the movement certificate EUR.1 for these products has been requested. The second copy shall be preserved by the office which has issued it for at least three years.

Article 22

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

Article 23

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

Article 24

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

Article 25

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

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

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

3. The customs authorities of the importing Member State, country or territory shall be informed of the

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

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

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

Article 26

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

Article 27

The Council shall, if necessary or whenever the competent authorities of the Community or of a country or territory so request, examine the application of the provisions of this Annex and their economic effects with a view to making any necessary amendments or adaptations.

The Council shall take into account among other elements the effects on the rules of origin of technological developments.

The decisions taken shall be implemented as soon as possible.

Article 28

1. Derogations from this Annex may be adopted by the Council where the development of existing

industries in a country and territory or the creation of new industries in a country and territory justifies them.

The Member State concerned, or, where appropriate, the competent authority of the country or territory concerned shall notify the Community of its request for a derogation together with the reasons of the request in accordance with Explanatory Note 10.

2. The examination of requests shall in particular take into account:

- (a) the level of development or the geographical situation of the country or territory concerned;
- (b) cases where the application of the existing rules of origin would affect significantly the ability of an existing industry in a country or territory to continue its exports to the Community, with particular reference to cases where this could lead to cessation of its activities;
- (c) specific cases where it can be clearly demonstrated that significant investment in an industry could be deterred by the rules of origin and where a derogation favouring the realization of the investment programme would enable these rules to be satisfied by stages.

3. In every case an examination shall be made to ascertain whether the rules relating to cumulation of origin do not provide a solution to the problem.

In addition, when a request for derogation concerns a least-developed country or territory, its examination shall be carried out with a favourable bias having particular regard to:

- (a) the economic and social impact of the decision to be taken, especially in respect of employment;
- (b) the need to apply the derogation for a period taking into account the particular situation of the least-developed country or territory concerned and its difficulties.

4. The examination of requests shall in particular take into account on a case-by-case basis the possibility of conferring originating status on products which include in their composition products originating in neighbouring developing countries provided that satisfactory administrative cooperation can be established.

5. The Council, on the basis of a report from the Committee on Origin, shall examine these requests as soon as possible and take the necessary steps to ensure that a decision is reached as quickly as possible and in any case no later than three months after the request has been received.

⁽¹⁾ OJ No L 148, 28. 6. 1968, p. 1.

6. (a) The derogations shall be valid for a period which shall generally be of two years. This period may be extended to a maximum of three years to take account of the particular situation of the requesting country or territory.

(b) The derogation decision may provide for renewals for periods of one year provided that the countries or territories concerned submit, three months before the end of each period,

proof that they are still unable to meet the conditions of this Annex which have been derogated from.

Article 29

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

*Annex 1 to Annex II***EXPLANATORY NOTES****Note 1 — Articles 1 and 2**

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

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

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

In order to determine whether goods originate in the Community, one of the countries or territories or an ACP State, it shall not be necessary to establish whether the electrical power, fuel, plant and equipment and machines and tools used to obtain such goods or whether any products used in the course of production which do not enter and which were not intended to enter into the final composition of the goods originate in third countries or not.

Note 3 — Article 1

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

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

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

Note 5 — Article 1

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

Note 6

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

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

ACP States or to public bodies or nationals of Member States, countries and territories or ACP States,

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

Note 7 — Article 4

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

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

Note 8 — Article 23

The authorities consulted shall furnish any information concerning the conditions under which the product has been made, indicating especially the conditions in which the rules of origin have been respected in the various Member States, countries and territories or ACP States concerned.

Note 9 — Article 1 (4)

Within the meaning of Annex II 'ACP States' shall mean the countries referred to as ACP States in the Second ACP-EEC Convention, signed at Lomé on 31 October 1979.

Note 10 — Article 27 (1)

In order to facilitate the examination by the Council, the Member State concerned or the country or territory making the request shall furnish in support of its request the fullest possible information covering in particular the points listed below. The same rules apply to any requests for extension.

- Description of the finished product.
- Nature and quantity of products originating in a third country.
- Nature and quantity of products originating in the Community, the overseas countries and territories or ACP States, which have been processed there.
- Manufacturing process.
- Value added.
- Number of employees in the undertaking concerned.
- Anticipated volume of exports to the Community.
- Other possible sources of supply for raw materials.
- Reasons for the duration requested in the light of efforts made to find new sources of supply.
- Other observations.

The period stipulated in Article 28 (5) shall run from the date of receipt of the request.

Annex 2 to Annex II

LIST A

List of working or processing operations carried out on non-originating materials which result in a change of tariff heading without conferring the status of 'originating products' on the products resulting from such operations, or conferring this status only subject to certain conditions

Products obtained		Working or processing of non-originating materials that does not confer the status of originating products	Working or processing of non-originating materials that confers the status of originating products
CCT heading No	Description		
02.06	Meat and edible meat offals (except poultry liver), salted, in brine, dried or smoked	Salting, placing in brine, drying or smoking of meat and edible meat and edible meat offals of heading Nos 02.01 and 02.04	
03.02	Fish, dried, salted or in brine; smoked fish, whether or not cooked before or during the smoking process	Drying, salting, placing in brine; smoking of fish, whether cooked or not	
04.02	Milk and cream, preserved, concentrated or sweetened	Preserving, concentrating, or adding sugar to milk or cream of heading No 04.01	
04.03	Butter	Manufacture from milk or cream	
04.04	Cheese and curd	Manufacture from products of heading Nos 04.01, 04.02 and 04.03	
07.02	Vegetables (whether or not cooked), preserved by freezing	Freezing of vegetables	
07.03	Vegetables provisionally preserved in brine, in sulphur water or in other preservative solutions, but not specially prepared for immediate consumption	Placing in brine or in other solutions of vegetables of heading No 07.01	
07.04	Dried, dehydrated or evaporated vegetables, whole cut, sliced, broken or in powder, but not further prepared	Drying, dehydration, evaporation, cutting, grinding, powdering of vegetables of heading Nos 07.01 to 07.03	
08.10	Fruit (whether or not cooked), preserved by freezing, not containing added sugar	Freezing of fruit	
08.11	Fruit provisionally preserved (for example, by sulphur dioxide gas, in brine, in sulphur water or in other preservative solutions), but unsuitable in that state for immediate consumption	Placing in brine or in other solutions of fruit of heading Nos 08.01 to 08.09	
08.12	Fruit, dried, other than that falling within heading No 08.01, 08.02, 08.03, 08.04 or 08.05	Drying of fruit	

Products obtained		Working or processing of non-originating materials that does not confer the status of originating products	Working or processing of non-originating materials that confers the status of originating products
CCT heading No	Description		
11.01	Cereal flours	Manufacture from cereals	
11.02	Cereal groats and cereal meal; other worked cereal grains (for example, rolled, flaked, polished, pearled or kibbled, but not further prepared), except rice falling within heading No 10.06; germ of cereals, whole, rolled, flaked or ground	Manufacture from cereals	
11.04	Flour of the dried leguminous vegetables falling within heading No 07.05 or of the fruits falling within any heading in Chapter 8; flour and meal of sago and of roots and tubers falling within heading No 07.06	Manufacture from dried leguminous vegetables of heading No 07.05, products of heading No 07.06 or of fruit of Chapter 8	
11.05	Flour, meal and flakes of potato	Manufacture from potatoes	
11.07	Malt, roasted or not	Manufacture from cereals	
11.08	Starches; inulin	Manufacture from cereals of Chapter 10 or from potatoes or other products of Chapter 7	
11.09	Wheat gluten, whether or not dried	Manufacture from wheat or wheat flours	
15.01	Lard, other pig fat and poultry fat, rendered or solvent-extracted	Manufacture from products of heading No 02.05	
15.02	Fats of bovine cattle, sheep or goats, unrendered; rendered or solvent-extracted fats (including 'premier jus') obtained from those unrendered fats	Manufacture from products of heading Nos 02.01 and 02.06	
15.04	Fats and oils, of fish and marine mammals, whether or not refined	Manufacture from fish or marine mammals	
15.06	Other animal oils and fats (including neat's-foot oil and fats from bones or waste)	Manufacture from products of Chapter 2	
ex 15.07	Fixed vegetable oils, fluid or solid, crude, refined or purified, but not including Chinawood oil, myrtle-wax, Japan wax or oil of tung nuts, oleococca seeds or oiticia seeds; also not including oils of a kind used in machinery or mechanical appliances or for industrial purposes other than the manufacture of edible products	Manufacture from products of Chapters 7 and 12	
16.01	Sausages and the like, of meat, meat offal or animal blood	Manufacture from products of Chapter 2	

Products obtained		Working or processing of non-originating materials that does not confer the status of originating products	Working or processing of non-originating materials that confers the status of originating products
CCT heading No	Description		
16.02	Other prepared or preserved meat or meat offal	Manufacture from products of Chapter 2	
16.04	Prepared or preserved fish, including caviar and caviar substitutes	Manufacture from products of Chapter 3	
16.05	Crustaceans and molluscs, prepared or preserved	Manufacture from products of Chapter 3	
ex 17.01	Beet sugar and cane sugar, in solid form, flavoured or coloured	Manufacture from other products of Chapter 17 the value of which exceeds 30 % of the value of the finished product	
ex 17.02	Other sugars, in solid form, flavoured or coloured	Manufacture from other products of Chapter 17 the value of which exceeds 30 % of the value of the finished product	
ex 17.02	Other sugars, in solid form, not flavoured or coloured; sugar syrups, not flavoured or coloured; artificial honey, whether or not mixed with natural honey; caramel	Manufacture from any product	
ex 17.03	Molasses, flavoured or coloured	Manufacture from other products of Chapter 17 the value of which exceeds 30 % of the value of the finished product	
17.04	Sugar confectionery, not containing cocoa	Manufacture from other products of Chapter 17 the value of which exceeds 30 % of the value of the finished product	
18.06	Chocolate and other food preparations containing cocoa	Manufacture from products of Chapter 17 the value of which exceeds 30 % of the value of the finished product	
ex 19.02	Malt extract	Manufacture from products of heading No 11.07	
ex 19.02	Preparations of flour, meal, starch or malt extract, of a kind used as infant food or for dietetic or culinary purposes, containing less than 50 % by weight of cocoa	Manufacture from cereals and derivatives thereof, meat and milk, or in which the value of products of Chapter 17 used exceeds 30 % of the value of the finished product	
19.03	Macaroni, spaghetti and similar products		Manufacture from durum wheat
19.04	Tapioca and sago; tapioca and sago substitutes obtained from potato or other starches	Manufacture from potato starch	

Products obtained		Working or processing of non-originating materials that does not confer the status of originating products	Working or processing of non-originating materials that confers the status of originating products
CCT heading No	Description		
19.05	Prepared foods obtained by the swelling or roasting of cereals or cereal products (puffed rice, cornflakes and similar products)	Manufacture from products other than: — maize of the type 'Zea indurata', — durum wheat, — products falling within Chapter 17, the value of which does not exceed 30 % of the value of the finished product, — vitamins, mineral salts, chemicals and natural or other substances or preparations used as additives	
19.07	Bread, ships' biscuits and other ordinary bakers' wares, not containing added sugar, honey, eggs, fats, cheese or fruit; communion wafers, cachets of a kind suitable for pharmaceutical use, sealing wafers, rice paper and similar products	Manufacture from products of Chapter 11	
19.08	Pastry, biscuits, cakes and other fine bakers' wares, whether or not containing cocoa in any proportion	Manufacture from products of Chapter 11	
20.01	Vegetables and fruit, prepared or preserved by vinegar or acetic acid, with or without sugar, whether or not containing salt, spices or mustard	Preserving vegetables, fresh or frozen or preserved temporarily or preserved in vinegar	
20.02	Vegetables prepared or preserved otherwise than by vinegar or acetic acid	Preserving vegetables fresh or frozen	
20.03	Fruit preserved by freezing, containing added sugar	Manufacture from products of Chapter 17 of which the value exceeds 30 % of the value of the finished product	
20.04	Fruit, fruit-peel and parts of plants, preserved by sugar (drained, glacé or crystallized)	Manufacture from products of Chapter 17 of which the value exceeds 30 % of the value of the finished product	
ex 20.05	Jams, fruit jellies, marmalades, fruit purées and fruit pastes, being cooked preparations, containing added sugar	Manufacture from products of Chapter 17 of which the value exceeds 30 % of the value of the finished product	
20.06	Fruit otherwise prepared or preserved, whether or not containing added sugar or spirit: A. Nuts		Manufacture, without added sugar or spirit, in which the value of the constituent originating products of heading Nos 08.01, 08.05 and 12.01, represents at least 60 % of the value of the finished product

Products obtained		Working or processing of non-originating materials that does not confer the status of originating products	Working or processing of non-originating materials that confers the status of originating products
CCT heading No	Description		
20.06 (cont'd)	B. Other fruits	Manufactured from products of Chapter 17 of which the value exceeds 30 % of the value of the finished product	
ex 20.07	Fruit juices (including grape must), whether or not containing added sugar, but unfermented and not containing spirit	Manufacture from products of Chapter 17 of which the value exceeds 30 % of the value of the finished product	
ex 21.02	Roasted chicory and extracts thereof	Manufacture from chicory roots, fresh or dried	
21.05	Soups and broths in liquid, solid or powder form; homogenized food preparations	Manufacture from products of heading No 20.02	
ex 21.07	Sugar syrups, flavoured or coloured	Manufacture from products of Chapter 17 of which the value exceeds 30 % of the value of the finished product	
22.02	Lemonade, flavoured spa waters and flavoured aerated waters, and other non-alcoholic beverages, not including fruit and vegetable juices falling within heading No 20.07	Manufacture from fruit juices ⁽¹⁾ or in which the value of products of Chapter 17 used exceeds 30 % of the value of the finished product	
22.06	Vermouths, and other wines of fresh grapes flavoured with aromatic extracts	Manufacture from products of heading No 08.04, 20.07, 22.04 or 22.05	
22.08	Ethyl alcohol or neutral spirits, undenatured, of a strength of 80° or higher; denatured spirits (including ethyl alcohol and neutral spirits) of any strength	Manufacture from products of heading No 08.04, 20.07, 22.04 or 22.05	
22.09	Spirits (other than those of heading No 22.08); liqueurs and other spirituous beverages; compound alcoholic preparations (known as 'concentrated extracts') for the manufacture of beverages	Manufacture from products of heading No 08.04, 20.07, 22.04 or 22.05	
22.10	Vinegar and substitutes for vinegar	Manufacture from products of heading No 08.04, 20.07, 22.04 or 22.05	
ex 23.03	Residues from the manufacture of maize starch (excluding concentrated steeping liquors), of a protein content, calculated on the dry product, exceeding 40 % by weight	Manufacture from maize or maize flour	

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

Products obtained		Working or processing of non-originating materials that does not confer the status of originating products	Working or processing of non-originating materials that confers the status of originating products
CCT heading No	Description		
23.04	Oil-cake and other residues (except dregs) resulting from the extraction of vegetable oils	Manufacture from various products	
23.07	Sweetened forage; other preparations of a kind used in animal feeding	Manufacture from cereals and derived products, meat, milk, sugar and molasses	
ex 24.02	Cigarettes, cigars, smoking tobacco		Manufacture from products of heading No 24.01 of which at least 70 % by quantity are originating products
30.03	Medicaments (including veterinary medicaments)		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product
31.05	Other fertilizers; goods of the present Chapter in tablets, lozenges and similar prepared forms or in packings of a gross weight not exceeding 10 kilograms		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product
32.06	Colour lakes	Manufacture from materials of heading No 32.04 or 32.05	
32.07	Other colouring matter; inorganic products of a kind used as luminophores	Mixing of oxides or salts of Chapter 28 with extenders such as barium sulphate, chalk barium carbonate and satin white	
ex 33.06	Aqueous distillates and aqueous solutions of essential oils, including such products suitable for medicinal uses	Manufacture from essential oils (terpeneless or not), concretes, absolutes or resinoids	
35.05	Dextrins and dextrin glues; soluble or roasted starches; starch glues		Manufacture from maize or potatoes
ex 35.07	Preparations used for clarifying beer, composed of papain and bentonite; enzymatic preparations for desizing textiles		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product
37.01	Photographic plates and film in the flat, sensitized, unexposed, of any material other than paper, paper-board or cloth	Manufacture from products of heading No 37.02	
37.02	Film in rolls, sensitized, unexposed, perforated or not	Manufacture from products of heading No 37.01	

Products obtained		Working or processing of non-originating materials that does not confer the status of originating products	Working or processing of non-originating materials that confers the status of originating products
CCT heading No	Description		
37.04	Sensitized plates and film, exposed but not developed, negative or positive	Manufacture from products of heading No 37.01 or 37.02	
38.11	Disinfectants, insecticides, fungicides, rat poisons, herbicides, anti-sprouting products, plant growth regulators and similar products, put up in forms or packings for sale by retail or as preparations or as articles (for example, sulphur-treated bands, wicks and candles, fly-papers)		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product
38.12	Prepared glazings, prepared dressings and prepared mordants, of a kind used in the textile, paper, leather or like industries		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product
38.13	Pickling preparations for metal surfaces; fluxes and other auxiliary preparations for soldering, brazing or welding; soldering, brazing or welding powders and pastes consisting of metal and other materials; preparations of a kind used as cores or coatings for welding rods and electrodes		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product
ex 38.14	Anti-knock preparations, oxidation inhibitors, gum inhibitors, viscosity improvers, anti-corrosive preparations and similar prepared additives for mineral oils, excluding prepared additives for lubricants		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product
38.15	Prepared rubber accelerators		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product
38.17	Preparations and charges for fire-extinguishers; charged fire-extinguishing grenades		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product
38.18	Composite solvents and thinners for varnishes and similar products		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product

Products obtained		Working or processing of non-originating materials that does not confer the status of originating products	Working or processing of non-originating materials that confers the status of originating products
CCT heading No	Description		
ex 38.19	Chemical products and preparations of the chemical or allied industries (including those consisting of mixtures of natural products), not elsewhere specified or included; residual products of the chemical or allied industries, not elsewhere specified or included, excluding: — Fusel oil and dippel's oil; — Naphthenic acids and their water-insoluble salts; esters of naphthenic acids; — Sulphonaphthenic acids and their water-insoluble salts; esters of sulphonaphthenic acids; — Petroleum sulphonates, excluding petroleum sulphonates of alkali metals, of ammonium or of ethanolamines, thiophenated sulphonic acids of oils obtained from bituminous minerals, and their salts; — Mixed alkylbenzenes and mixed alkylnaphthalenes; — Ion exchangers; — Catalysts; — Getters for vacuum tubes; — Refractory cements or mortars and similar compositions; — Alkaline iron oxide for the purification of gas; — Carbon (excluding that in artificial graphite of heading No 38.01) in metal-graphite or other compounds, in the form of small plates, bars or other semi-manufactures — Sorbitol other than that of heading No 29.04 — Ammoniacal gas liquors and spent oxide produced in coal gas purification		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product
39.02	Polymerization products		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product

Products obtained		Working or processing of non-originating materials that does not confer the status of originating products	Working or processing of non-originating materials that confers the status of originating products
CCT heading No	Description		
ex 39.07	Articles of materials of the kinds described in heading Nos 39.01 to 39.06 with the exception of fans and hand screens, non-mechanical, frames and handles therefor and parts of such frames and handles, and corset busks and similar supports for articles of apparel or clothing accessories		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product
40.05	Plates, sheets and strip, of unvulcanized natural or synthetic rubber, other than smoked sheets and crepe sheets of heading No 40.01 or 40.02; granules of unvulcanized natural or synthetic rubber compounded ready for vulcanization; unvulcanized natural or synthetic rubber, compounded before or after coagulation either with carbon black (with or without the addition of mineral oil) or with silica (with or without the addition of mineral oil), in any form, of a kind known as masterbatch		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product
41.08	Patent leather and imitation patent leather; metallized leather		Varnishing or metallizing of leather of heading Nos 41.02 to 41.06 (other than skin leather of crossed Indian sheep and Indian goat or kid, not further prepared than vegetable tanned, or if otherwise prepared obviously unsuitable for immediate use in the manufacture of leather articles) in which the value of the skin leather used does not exceed 50 % of the value of the finished product
43.03	Articles of furskin	Making up from furskin in plates, crosses and similar forms (heading No ex 43.02)	
ex 44.21	Complete wooden packing cases, boxes, crates, drums and similar packings, excepting those made of fibreboard		Manufacture from boards not cut to size
ex 44.28	Match splints; wooden pegs or pins for footwear	Manufacture from drawn wood	
ex 45.03	Articles of natural cork		Manufacture from products of heading No 45.01
ex 48.07	Paper and paperboard, ruled, lined, or squared, but not otherwise printed, in rolls or sheets		Manufacture from paper pulp

Products obtained		Working or processing of non-originating materials that does not confer the status of originating products	Working or processing of non-originating materials that confers the status of originating products
CCT heading No	Description		
48.14	Writing blocks, envelopes, letter cards, plain postcards, correspondence cards; boxes, pouches, wallets and writing compendiums, of paper or paperboard, containing only an assortment of paper stationery		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product
48.15	Other paper and paperboard, cut to size or shape		Manufacture from paper pulp
ex 48.16	Boxes, bags and other packing containers, of paper or paperboard		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product
49.09	Picture postcards, Christmas and other picture greeting cards, printed by any process, with or without trimmings	Manufacture from products of heading No 49.11	
49.10	Calendars of any kind, of paper or paperboard, including calendar blocks	Manufacture from products of heading No 49.11	
50.04 ⁽¹⁾	Silk yarn, other than yarn of noil or other waste silk, not put up for retail sale		Manufacture from products other than those of heading No 50.04
50.05 ⁽¹⁾	Yarn spun from noil or other waste silk, not put up for retail sale		Manufacture from products of heading No 50.03
ex 50.07 ⁽¹⁾	Silk yarn and yarn spun from noil or other waste silk, put up for retail sale		Manufacture from products of heading Nos 50.01 to 50.03
ex 50.07 ⁽¹⁾	Imitation catgut of silk		Manufacture from products of heading No 50.01 or of heading No 50.03 neither carded nor combed
50.09 ⁽²⁾	Woven fabrics of silk, of noil or of other waste silk		Manufacture from products of heading No 50.02 or 50.03

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

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

- to 20 % where the material in question is yarn made of polyurethane segmented with flexible segments of polyether, whether or not gimped, falling within heading Nos ex. 51.01 and ex 58.07,
- to 30 % where the material in question is yarn of a width not exceeding 5 mm formed of a core consisting either of a thin strip of aluminium or of a film of artificial plastic material whether or not covered with aluminium powder, this core having been inserted and glued by means of a transparent or coloured glue between two films of artificial plastic material.

Products obtained		Working or processing of non-originating materials that does not confer the status of originating products	Working or processing of non-originating materials that confers the status of originating products
CCT heading No	Description		
51.01 ⁽¹⁾	Yarn of man-made fibres (continuous), not put up for retail sale		Manufacture from chemical products or textile pulp
51.02 ⁽¹⁾	Monofil, strip (artificial straw and the like) and imitation catgut, of man-made fibre materials		Manufacture from chemical products or textile pulp
51.03 ⁽¹⁾	Yarn of man-made fibres (continuous), put up for retail sale		Manufacture from chemical products or textile pulp
51.04 ⁽²⁾	Woven fabrics of man-made fibres (continuous), including woven fabrics of monofil or strip of heading No 51.01 or 51.02		Manufacture from chemical products or textile pulp
52.01 ⁽¹⁾	Metallized yarn, being textile yarn spun with metal or covered with metal by any process		Manufacture from chemical products, from textile pulp or from natural textile fibres, discontinuous man-made fibres or their waste, neither carded nor combed
52.02 ⁽²⁾	Woven fabrics of metal thread or of metallized yarn, of a kind used in articles of apparel, as furnishing fabrics or the like		Manufacture from chemical products, from textile pulp or from natural textile fibres, discontinuous man-made fibres or their waste
53.06 ⁽¹⁾	Yarn of carded sheep's or lambs' wool (woollen yarn), not put up for retail sale		Manufacture from products of heading No 53.01 or 53.03
53.07 ⁽¹⁾	Yarn of combed sheep's or lambs' wool (worsted yarn), not put up for retail sale		Manufacture from products of heading No 53.01 or 53.03
53.08 ⁽¹⁾	Yarn of fine animal hair (carded or combed), not put up for retail sale		Manufacture from raw fine animal hair of heading No 53.02

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

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

- to 20 % where the material in question is yarn made of polyurethane segmented with flexible segments of polyether, whether or not gimped, falling within heading Nos ex 51.01 and ex 58.07,
- to 30 % where the material in question is yarn of a width not exceeding 5 mm formed of a core consisting either of a thin strip of aluminium or of a film of artificial plastic material whether or not covered with aluminium powder, this core having been inserted and glued by means of a transparent or coloured glue between two films of artificial plastic material.

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

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

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

- to 20 % where the material in question is yarn made of polyurethane segmented with flexible segments of polyether, whether or not gimped, falling within heading Nos ex 51.01 and ex 58.07,
- to 30 % where the material in question is yarn of a width not exceeding 5 mm formed of a core consisting either of a thin strip of aluminium or of a film of artificial plastic material whether or not covered with aluminium powder, this core having been inserted and glued by means of a transparent or coloured glue between two films of artificial plastic material.

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

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

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

- to 20 % where the material in question is yarn made of polyurethane segmented with flexible segments of polyether, whether or not gimped, falling within heading Nos ex 51.01 and ex 58.07,
- to 30 % where the material in question is yarn of a width not exceeding 5 mm formed of a core consisting either of a thin strip of aluminium or of a film of artificial plastic material whether or not covered with aluminium powder, this core having been inserted and glued by means of a transparent or coloured glue between two films of artificial plastic material.

Products obtained		Working or processing of non-originating materials that does not confer the status of originating products	Working or processing of non-originating materials that confers the status of originating products
CCT heading No	Description		
ex 57.07 ⁽¹⁾	Yarn of other vegetable textile fibres, excluding yarn of true hemp		Manufacture from raw vegetable textile fibres of heading Nos 57.02 to 57.04
ex 57.07	Paper yarn		Manufacture from products of Chapter 47, from chemical products, textile pulp or from natural textile fibres, discontinuous man-made fibres or their waste, neither carded nor combed
57.10 ⁽²⁾	Woven fabrics of jute or of other textile bast fabrics of heading No 57.03		Manufacture from raw jute, jute tow or from other raw textile bast fibres of heading No 57.03
ex 57.11 ⁽²⁾	Woven fabrics of other vegetable textile fibres		Manufacture from materials of heading No 57.01, 57.02 or 57.04 or from coir yarn of heading No 57.07
ex 57.11	Woven fabrics of paper yarn		Manufacture from paper, from chemical products, textile pulp or from natural textile fibres, discontinuous man-made fibres or their waste
58.01 ⁽³⁾	Carpets, carpeting and rugs knotted (made up or not)		Manufacture from materials of heading Nos 50.01 to 50.03, 51.01, 53.01 to 53.05, 54.01, 55.01 to 55.04, 56.01 to 56.03 or 57.01 to 57.04

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

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

- to 20 % where the material in question is yarn made of polyurethane segmented with flexible segments of polyether, whether or not gimped, falling within heading Nos ex 51.01 and ex 58.07,
- to 30 % where the material in question is yarn of a width not exceeding 5 mm formed of a core consisting either of a thin strip of aluminium or of a film of artificial plastic material whether or not covered with aluminium powder, this core having been inserted and glued by means of a transparent or coloured glue between two films of artificial plastic material.

⁽³⁾ For products composed of two or more textile materials, the conditions shown in column 4 must be met in respect of each of the textile materials of which the mixed product is composed. This rule, however, does not apply to any one or more mixed textile materials whose weight does not exceed 10 % of the total weight of textile materials incorporated. This percentage shall be increased:

- to 20 % where the material in question is yarn made of polyurethane segmented with flexible segments of polyether, whether or not gimped, falling within heading Nos ex 51.01 and ex 58.07,
- to 30 % where the material in question is yarn of a width not exceeding 5 mm formed of a core consisting either of a thin strip of aluminium or of a film of artificial plastic material whether or not covered with aluminium powder, this core having been inserted and glued by means of a transparent or coloured glue between two films of artificial plastic material.

Products obtained		Working or processing of non-originating materials that does not confer the status of originating products	Working or processing of non-originating materials that confers the status of originating products
CCT heading No	Description		
58.02 ⁽¹⁾	Other carpets, carpeting, rugs, mats and matting, and 'Kelem', 'Schumacks' and 'Karamanie' rugs and the like (made up or not)		Manufacture from materials of heading Nos 50.01 to 50.03, 51.01, 53.01 to 53.05, 54.01, 55.01 to 55.04, 56.01 to 56.03, 57.01 to 57.04 or from coir yarn of heading No 57.07
58.04 ⁽¹⁾	Woven pile fabrics and chenille fabrics (other than terry towelling or similar terry fabrics of cotton falling within heading No 55.08 and fabrics falling within heading No 58.05)		Manufacture from materials of heading Nos 50.01 to 50.03, 53.01 to 53.05, 54.01, 55.01 to 55.04, 56.01 to 56.03, 57.01 to 57.04 or from chemical products or textile pulp
58.05 ⁽¹⁾	Narrow woven fabrics, and narrow fabrics (bolduc) consisting of warp without weft assembled by means of an adhesive, other than goods falling within heading No 58.06		Manufacture from materials of heading Nos 50.01 to 50.03, 53.01 to 53.05, 54.01, 55.01 to 55.04, 56.01 to 56.03 or 57.01 to 57.04 or from chemical products or textile pulp
58.06 ⁽¹⁾	Woven labels, badges and the like, not embroidered, in the piece, in strips or cut to shape or size		Manufacture from materials of heading Nos 50.01 to 50.03, 53.01 to 53.05, 54.01, 55.01 to 55.04, 56.01 to 56.03 or from chemical products or textile pulp
58.07 ⁽¹⁾	Chenille yarn (including flock chenille yarn), gimped yarn (other than metallized yarn of heading No 52.01 and gimped horsehair yarn); braids and ornamental trimmings in the piece; tassels, pompons and the like		Manufacture from materials of heading Nos 50.01 to 50.03, 53.01 to 53.05, 54.01, 55.01 to 55.04, 56.01 to 56.03 or from chemical products or textile pulp
58.08 ⁽¹⁾	Tulle and other net fabrics (but not including woven, knitted or crocheted fabrics), plain		Manufacture from materials of heading Nos 50.01 to 50.03, 53.01 to 53.05, 54.01, 55.01 to 55.04, 56.01 to 56.03 or from chemical products or textile pulp
58.09 ⁽¹⁾	Tulle and other net fabrics (but not including woven, knitted or crocheted fabrics), figured; hand or mechanically made lace, in the piece, in strips or in motifs		Manufacture from materials of heading Nos 50.01 to 50.03, 53.01 to 53.05, 54.01, 55.01 to 55.04, 56.01 to 56.03 or from chemical products or textile pulp

⁽¹⁾ For products composed of two or more textile materials, the conditions shown in column 4 must be met in respect of each of the textile materials of which the mixed product is composed. This rule, however, does not apply to any one or more mixed textile materials whose weight does not exceed 10 % of the total weight of textile materials incorporated. This percentage shall be increased:

- to 20 % where the material in question is yarn made of polyurethane segmented with flexible segments of polyether, whether or not gimped, falling within heading Nos ex 51.01 and ex 58.07,
- to 30 % where the material in question is yarn of a width not exceeding 5 mm formed of a core consisting either of a thin strip of aluminium or of a film of artificial plastic material whether or not covered with aluminium powder, this core having been inserted and glued by means of a transparent or coloured glue between two films of artificial plastic material.

Products obtained		Working or processing of non-originating materials that does not confer the status of originating products	Working or processing of non-originating materials that confers the status of originating products
CCT heading No	Description		
58.10	Embroidery, in the piece, in strips or in motifs		Manufacture in which the value of the product used does not exceed 50 % of the value of the finished product
59.01 ⁽¹⁾	Wadding and articles of wadding; textile flock and dust and mill neps		Manufacture either from natural fibres or from chemical products or textile pulp
ex 59.02 ⁽¹⁾	Felt and articles of felt, with the exception of needled felt, whether or not impregnated or coated		Manufacture either from natural fibres or from chemical products or textile pulp
ex 59.02 ⁽¹⁾	Needled felt, whether or not impregnated or coated		Manufacture either from natural fibres or from chemical products or textile pulp or from fibre or continuous polypropylene filament of which the denomination of the filaments is less than eight denier and of which the value does not exceed 40 % of the value of the finished product
59.03 ⁽¹⁾	Bonded fibre fabrics, similar bonded yarn fabrics, and articles of such fabrics, whether or not impregnated or coated		Manufacture either from natural fibres or from chemical products or textile pulp
59.04 ⁽¹⁾	Twine, cordage, ropes and cables, plaited or not		Manufacture either from natural fibres or from chemical products or textile pulp or from coir yarn of heading No 57.07
59.05 ⁽¹⁾	Nets and netting made of twine, cordage or rope, and made up fishing nets of yarn, twine, cordage or rope		Manufacture either from natural fibres or from chemical products or textile pulp or from coir yarn of heading No 57.07
59.06 ⁽¹⁾	Other articles made from yarn, twine, cordage, rope or cables, other than textile fabrics and articles made from such fabrics		Manufacture either from natural fibres or from chemical products or textile pulp or from coir yarn of heading No 57.07

⁽¹⁾ For products composed of two or more textile materials, the conditions shown in column 4 must be met in respect of each of the textile materials of which the mixed product is composed. This rule, however, does not apply to any one or more mixed textile materials whose weight does not exceed 10 % of the total weight of textile materials incorporated. This percentage shall be increased:

- to 20 % where the material in question is yarn made of polyurethane segmented with flexible segments of polyether, whether or not gimped, falling within heading Nos ex 51.01 and ex 58.07,
- to 30 % where the material in question is yarn of a width not exceeding 5 mm formed of a core consisting either of a thin strip of aluminium or of a film of artificial plastic material whether or not covered with aluminium powder, this core having been inserted and glued by means of a transparent or coloured glue between two films of artificial plastic material.

Products obtained		Working or processing of non-originating materials that does not confer the status of originating products	Working or processing of non-originating materials that confers the status of originating products
CCT heading No	Description		
59.07	Textile fabrics coated with gum or amylaceous substances, of a kind used for the outer covers of books and the like; tracing cloth; prepared painting canvas; buckram and similar fabrics for hat foundations and similar uses		Manufacture from yarn
59.08	Textile fabrics impregnated, coated, covered or laminated with preparations of cellulose derivatives or of other artificial plastic materials		Manufacture from yarn
59.10 ⁽¹⁾	Linoleum and materials prepared on a textile base in a similar manner to linoleum, whether or not cut to shape or of a kind used as floor coverings; floor coverings consisting of a coating applied on a textile base, cut to shape or not		Manufacture either from yarn or from textile fibres
ex 59.11	Rubberized textile fabrics, other than rubberized knitted or crocheted goods, with the exception of those consisting of fabric of continuous synthetic textile fibres, or of fabric composed of parallel yarns of continuous synthetic textile fibres, impregnated or covered with rubber latex, containing at least 90 % by weight of textile materials and used for the manufacture of tyres or for other technical uses		Manufacture from yarn
ex 59.11	Rubberized textile fabrics, other than rubberized knitted or crocheted goods, consisting of fabric of continuous synthetic textile fibres or of fabric composed of parallel yarns of continuous synthetic textile fibres, impregnated or covered with rubber latex, containing at least 90 % by weight of textile materials and used for the manufacture of tyres or for other technical uses		Manufacture from chemical products

⁽¹⁾ For products composed of two or more textile materials, the conditions shown in column 4 must be met in respect of each of the textile materials of which the mixed product is composed. This rule, however, does not apply to any one or more mixed textile materials whose weight does not exceed 10 % of the total weight of textile materials incorporated. This percentage shall be increased:

- to 20 % where the material in question is yarn made of polyurethane segmented with flexible segments of polyether, whether or not gimped, falling within heading Nos ex 51.01 and ex 58.07,
- to 30 % where the material in question is yarn of a width not exceeding 5 mm formed of a core consisting either of a thin strip of aluminium or of a film of artificial plastic material whether or not covered with aluminium powder, this core having been inserted and glued by means of a transparent or coloured glue between two films of artificial plastic material.

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

⁽¹⁾ For products composed of two or more textile materials, the conditions shown in column 4 must be met in respect of each of the textile materials of which the mixed product is composed. This rule, however, does not apply to any one or more mixed textile materials whose weight does not exceed 10 % of the total weight of textile materials incorporated. This percentage shall be increased:

- to 20 % where the product in question is yarn made of polyurethane segmented with flexible segments of polyether, whether or not gimped, falling within heading Nos ex 51.01 and ex 58.07,
- to 30 % where the product in question is yarn of a width not exceeding 5 mm formed of a core consisting either of a thin strip of aluminium or of a film of artificial plastic material whether or not covered with aluminium powder, this core having been inserted and glued by means of a transparent or coloured glue between two films of artificial plastic material.

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

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

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

Products obtained		Working or processing of non-originating materials that does not confer the status of originating products	Working or processing of non-originating materials that confers the status of originating products
CCT heading No	Description		
ex 61.02	Fire-resistant equipment of cloth covered by foil of aluminized polyester		Manufacture from uncoated cloth of which the value does not exceed 40 % of the value of the finished product ⁽¹⁾
ex 61.02	Women's, girls' and infants' outer garments, embroidered		Manufacture from fabrics, not embroidered, the value of which does not exceed 40 % of the value of the finished product ⁽¹⁾
61.03	Men's and boys' under garments, including collars, shirt fronts and cuffs		Manufacture from yarn ⁽¹⁾
61.04	Women's, girls' and infants' under garments		Manufacture from yarn ⁽¹⁾
ex 61.05	Handkerchiefs, not embroidered		Manufacture from unbleached single yarn ⁽¹⁾ ⁽²⁾
ex 61.05	Handkerchiefs, embroidered		Manufacture from fabrics, not embroidered, the value of which does not exceed 40 % of the value of the finished product ⁽¹⁾
ex 61.06	Shawls, scarves, mufflers, mantillas, veils and the like not embroidered		Manufacture from unbleached single yarn of natural textile fibres or discontinuous man-made fibres or their waste or from chemical products or textile pulp ⁽¹⁾
ex 61.06	Shawls, scarves, mufflers, mantillas, veils and the like embroidered		Manufacture from fabrics, not embroidered, the value of which does not exceed 40 % of the value of the finished product ⁽¹⁾
61.07	Ties, bow ties and cravats		Manufacture from yarn ⁽¹⁾
61.09	Corsets, corset-belts, suspender-belts, brassières, braces, suspenders, garters and the like (including such articles of knitted or crocheted fabric), whether or not elastic		Manufacture from yarn ⁽¹⁾
ex 61.10	Gloves, mittens, mitts, stockings, socks and sockettes, not being knitted or crocheted goods, excluding fire resistant equipment of cloth covered by foil of aluminized polyester		Manufacture from yarn ⁽¹⁾

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

⁽²⁾ For products obtained from two or more textile materials, this rule does not apply to one or more of the mixed textile materials if its or their weight does not exceed 10 % of the total weight of all the textile materials incorporated.

Products obtained		Working or processing of non-originating materials that does not confer the status of originating products	Working or processing of non-originating materials that confers the status of originating products
CCT heading No	Description		
ex 61.10	Fire-resistant equipment of cloth covered by foil of aluminized polyester		Manufacture from uncoated cloth of which the value does not exceed 40 % of the value of the finished product ⁽¹⁾
ex 61.11	Made up accessories for articles of apparel (for example, dress shields, shoulder and other pads, belts, muffs, sleeve protectors, pockets) with the exception of collars, tuckers, fallals, bodice-fronts, jabots, cuffs, flounces, yokes and similar accessories and trimmings for women's and girls' garments, embroidered		Manufacture from yarn ⁽¹⁾
ex 61.11	Collars, tuckers, fallals, bodice-fronts, jabots, cuffs, flounces, yokes and similar accessories and trimmings for women's and girls' garments, embroidered		Manufacture from fabrics, not embroidered, the value of which does not exceed 40 % of the value of the finished product ⁽¹⁾
62.01	Travelling rugs and blankets		Manufacture from unbleached yarn of Chapters 50 to 56 ⁽²⁾
ex 62.02	Bed linen, table linen, toilet linen and kitchen linen; curtains and other furnishing articles; not embroidered		Manufacture from unbleached single yarn ⁽²⁾
ex 62.02	Bed linen, table linen, toilet linen and kitchen linen; curtains and other furnishing articles; embroidered		Manufacture from fabrics, not embroidered, the value of which does not exceed 40 % of the value of the finished product
62.03	Sacks and bags, of a kind used for the packing of goods		Manufacture from chemical products, textile pulp or from natural textile fibres, discontinuous man-made fibres or their waste ⁽²⁾
62.04	Tarpaulins, sails, awnings, sunblinds, tents and camping goods		Manufacture from single unbleached yarn ⁽²⁾
ex 62.05	Other made up textile articles (including dress patterns) excluding fans and hand screens, non-mechanical, frames and handles therefor and parts of such frames and handles		Manufacture in which the value of the products used does not exceed 40 % of the value of the finished product

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

⁽²⁾ For products obtained from two or more textile materials, this rule does not apply to one or more of the mixed textile materials if its or their weight does not exceed 10 % of the total weight of all the textile materials incorporated.

Products obtained		Working or processing of non-originating materials that does not confer the status of originating products	Working or processing of non-originating materials that confers the status of originating products
CCT heading No	Description		
64.01	Footwear with outer soles and uppers of rubber or artificial plastic material	Manufacture from assemblies of uppers affixed to inner soles or to other sole components, but without outer soles, of any material except metal	
64.02	Footwear with outer soles of leather or composition leather; footwear (other than footwear falling within heading No 64.01) with outer soles of rubber or artificial plastic material	Manufacture from assemblies of uppers affixed to inner soles or to other sole components, but without outer soles, of any material except metal	
64.03	Footwear with outer soles of wood or of cork	Manufacture from assemblies of uppers affixed to inner soles or to other sole components, but without outer soles, of any material except metal	
64.04	Footwear with outer soles of other materials	Manufacture from assemblies of uppers affixed to inner soles or to other sole components, but without outer soles, of any material except metal	
65.03	Felt hats and other felt headgear, being headgear made from the felt hoods and plateaux falling within heading No 65.01, whether or not lined or trimmed		Manufacture from textile fibres ⁽¹⁾
65.05	Hats and other headgear (including hair nets), knitted or crocheted, or made up from lace, felt or other textile fabric in the piece (but not from strips), whether or not lined or trimmed		Manufacture either from yarn or from textile fibres ⁽¹⁾
66.01	Umbrellas and sunshades (including walking-stick umbrellas, umbrella tents, and garden and similar umbrellas)		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product
ex 70.07	Cast, rolled, drawn or blown glass (including flashed or wired glass) cut to shape other than rectangular shape, or bent or otherwise worked (for example, edge worked or engraved) whether or not surface ground or polished; multiple-walled insulating glass	Manufacture from drawn, cast or rolled glass of heading Nos 70.04 to 70.06	
70.08	Safety glass consisting of toughened or laminated glass, shaped or not	Manufacture from drawn, cast or rolled glass of heading Nos 70.04 to 70.06	

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

Products obtained		Working or processing of non-originating materials that does not confer the status of originating products	Working or processing of non-originating materials that confers the status of originating products
CCT heading No	Description		
70.09	Glass mirrors (including rear-view mirrors), unframed, framed or backed	Manufacture from drawn, cast or rolled glass of heading Nos 70.04 to 70.06	
71.15	Articles consisting of, or incorporating, pearls, precious or semi-precious stones (natural, synthetic or reconstructed)		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product
73.07	Blooms, billets, slabs and sheet bars (including tinplate bars), of iron or steel; pieces roughly shaped by forging, of iron or steel	Manufacture from products of heading No 73.06	
73.08	Iron or steel coils for re-rolling	Manufacture from products of heading No 73.07	
73.09	Universal plates of iron or steel	Manufacture from products of heading No 73.07 or 73.08	
73.10	Bars and rods (including wire rod), of iron or steel, hot-rolled, forged, extruded, cold-formed or cold-finished (including precision-made); hollow mining drill steel	Manufacture from products of heading No 73.07	
73.11	Angles, shapes and sections, of iron or steel, hot-rolled, forged, extruded, cold-formed or cold-finished; sheet piling of iron or steel, whether or not drilled, punched or made from assembled elements	Manufacture from products of heading Nos 73.07 to 73.10, 73.12 or 73.13	
73.12	Hoop and strip, of iron or steel, hot-rolled or cold-rolled	Manufacture from products of heading Nos 73.07 to 73.09 or 73.13	
73.13	Sheets and plates, of iron or steel, hot-rolled or cold-rolled	Manufacture from products of heading Nos 73.07 to 73.09	
73.14	Iron or steel wire, whether or not coated, but not insulated	Manufacture from products of heading No 73.10	
73.16	Railway and tramway track construction material of iron or steel, the following: rails, check-rails, switch blades, crossings (or frogs), crossing pieces, point rods, rack rails, sleepers, fish-plates, chairs, chair wedges, sole plates (base plates), rail clips, bed-plates, ties and other materials specialized for joining or fixing rails		Manufacture from products of heading No 73.06

Products obtained		Working or processing of non-originating materials that does not confer the status of originating products	Working or processing of non-originating materials that confers the status of originating products
CCT heading No	Description		
73.18	Tubes and pipes and blanks therefor, of iron (other than of cast iron) or steel, excluding high-pressure hydro-electric conduits		Manufacture from products of heading Nos 73.06 and 73.07 or heading No 73.15 in the forms specified in heading Nos 73.06 and 73.07
74.03	Wrought bars, rods, angles, shapes and sections, of copper; copper wire		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product
74.04	Wrought plates, sheets and strip, of copper of a thickness exceeding 0.15 mm		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product
74.05	Copper foil (whether or not embossed, cut to shape, perforated, coated, printed, or backed with paper or other reinforcing material), of a thickness (excluding any backing) not exceeding 0.15 mm		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product
74.06	Copper powders and flakes		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product
74.07	Tubes and pipes and blanks therefor, of copper; hollow bars of copper		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product
74.08	Tube and pipe fittings (for example, joints, elbows, sockets and flanges), of copper		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product
74.10	Stranded wire, cables, cordage, ropes, plaited bands and the like, of copper wire, but excluding insulated electric wires and cables		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product
74.11	Gauze, cloth, grill, netting, fencing, reinforcing fabric and similar materials (including endless bands), of copper wire; expanded metal, of copper		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product
74.15	Nails, tacks, staples, hook-nails, spiked cramps, studs, spikes and drawing pins, of copper, or of iron or steel with heads of copper; bolts and nuts (including bolt ends and screw studs), whether or not threaded or tapped, and screws (including screw hooks and screw rings), of copper; rivets, cotters, cotter-pins, washers and spring washers, of copper		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product

Products obtained		Working or processing of non-originating materials that does not confer the status of originating products	Working or processing of non-originating materials that confers the status of originating products
CCT heading No	Description		
74.16	Springs, of copper		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product
74.17	Cooking and heating apparatus of a kind used for domestic purposes, not electrically operated, and parts thereof, of copper		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product
74.18	Other articles of a kind commonly used for domestic purposes, sanitary ware for indoor use, and parts of such articles and ware, of copper		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product
74.19	Other articles of copper		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product
75.02	Wrought bars, rods, angles, shapes and sections, of nickel; nickel wire		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product
75.03	Wrought plates, sheets and strip, of nickel; nickel foil; nickel powders and flakes		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product
75.04	Tubes and pipes and blanks therefor, of nickel; hollow bars, and tube and pipe fittings (for example, joints, elbows, sockets and flanges), of nickel		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product
75.05	Electro-plating anodes, of nickel, wrought or unwrought, including those produced by electrolysis		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product
75.06	Other articles of nickel		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product
76.02	Wrought bars, rods, angles, shapes and sections, of aluminium; aluminium wire		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product
76.03	Wrought plates, sheets and strip, of aluminium		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product
76.04	Aluminium foil (whether or not embossed, cut to shape, perforated, coated, printed, or backed with paper or other reinforcing material), of a thickness (excluding any backing) not exceeding 0.20 mm		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product
76.05	Aluminium powders and flakes		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product

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

Products obtained		Working or processing of non-originating materials that does not confer the status of originating products	Working or processing of non-originating materials that confers the status of originating products
CCT heading No	Description		
77.02	Wrought bars, rods, angles, shapes and sections, of magnesium; magnesium wire; wrought plates, sheets and strip, of magnesium; magnesium foil; raspings and shavings of uniform size, powders and flakes, of magnesium; tubes and pipes and blanks therefor, of magnesium; hollow bars of magnesium; other articles of magnesium		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product
78.02	Wrought bars, rods, angles, shapes and sections, of lead; lead wire		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product
78.03	Wrought plates, sheets and strip, of lead of a weight exceeding 1.700 kg/m ²		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product
78.04	Lead foil (whether or not embossed, cut to shape, perforated, coated, printed, or backed with paper or other reinforcing material), of a weight (excluding any backing) not exceeding 1.7 kg/m ² ; lead powders and flakes		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product
78.05	Tubes and pipes and blanks therefor, of lead; hollow bars, and tube and pipe fittings (for example, joints, elbows, sockets, flanges and S-bends), of lead		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product
78.06	Other articles of lead		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product
79.02	Wrought bars, rods, angles, shapes and sections, of zinc; zinc wire		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product
79.03	Wrought plates, sheets and strip, of zinc; zinc foil; zinc powders and flakes		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product
79.04	Tubes and pipes and blanks therefor, of zinc; hollow bars, and tube and pipe fittings (for example, joints, elbows, sockets and flanges), of zinc		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product
79.06	Other articles of zinc		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product
80.02	Wrought bars, rods, angles, shapes and sections, of tin; tin wire		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product

Products obtained		Working or processing of non-originating materials that does not confer the status of originating products	Working or processing of non-originating materials that confers the status of originating products
CCT heading No	Description		
80.03	Wrought plates, sheets and strip, of tin		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product
80.04	Tin foil (whether or not embossed, cut to shape, perforated, coated, printed, or backed with paper or other reinforcing material), of a weight (excluding any backing) not exceeding 1 kg/m ² ; tin powders and flakes		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product
80.05	Tubes and pipes and blanks therefor, of tin; hollow bars, and tube and pipe fittings (for example, joints, elbows, sockets and flanges), of tin		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product
82.05	Interchangeable tools for hand tools, for machine tools or for power-operated hand tools (for example, for pressing, stamping, drilling, tapping, threading, boring, broaching, milling, cutting, turning, dressing, morticing or screw-driving), including dies for wire drawing, extrusion dies for metal, and rock-drilling bits		Working, processing or assembly in which the value of the materials and parts used does not exceed 40 % of the value of the finished product
82.06	Knives and cutting blades, for machines or for mechanical appliances		Working, processing or assembly in which the value of the materials and parts used does not exceed 40 % of the value of the finished product
ex Chapter 84	Boilers, machinery and mechanical appliances and parts thereof, excluding refrigerators and refrigerating equipment (electrical and other) (No 84.15) and sewing machines, including furniture specially designed for sewing machines (ex No 84.41)		Working, processing or assembly in which the value of the materials and parts used does not exceed 40 % of the value of the finished product

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

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

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

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

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

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

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

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

Products obtained		Working or processing of non-originating materials that does not confer the status of originating products	Working or processing of non-originating materials that confers the status of originating products
CCT heading No	Description		
90.05	Refracting telescopes (monocular and binocular), prismatic or not		Working, processing or assembly in which the value of the materials and parts used does not exceed 40 % of the finished product, and provided that at least 50 % in value of the materials and parts ⁽¹⁾ used are originating products
ex 90.07	Photographic cameras; photographic flashlight apparatus and flashbulbs other than discharge lamps of heading No 85.20, with the exception of electrically ignited photographic flashbulbs		Working, processing or assembly in which the value of the materials and parts used does not exceed 40 % of the finished product, and provided that at least 50 % in value of the materials and parts ⁽¹⁾ used are originating products
90.08	Cinematographic cameras, projectors, sound recorders and sound reproducers but not including re-recorders or film editing apparatus; any combination of these articles		Working, processing or assembly in which the value of the materials and parts used does not exceed 40 % of the value of the finished product, and provided that at least 50 % in value of the materials and parts ⁽¹⁾ used are originating products
90.12	Compound optical microscopes, whether or not provided with means for photographing or projecting the image		Working, processing or assembly in which the value of the materials and parts used does not exceed 40 % of the value of the finished product, and provided that at least 50 % in value of the materials and parts ⁽¹⁾ used are originating products
90.26	Gas, liquid and electricity supply or production meters; calibrating meters therefor		Working, processing or assembly in which the value of the materials and parts used does not exceed 40 % of the value of the finished product, and provided that at least 50 % in value of the materials and parts ⁽¹⁾ used are originating products

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

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

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

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

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

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

Products obtained		Working or processing of non-originating materials that does not confer the status of originating products	Working or processing of non-originating materials that confers the status of originating products
CCT heading No	Description		
Chapter 93	Arms and ammunition; parts thereof		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product
ex 96.01	Other brooms and brushes (including brushes of a kind used as parts of machines); paint rollers; squeegees (other than roller squeegees) and mops		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product
97.03	Other toys; working models of a kind used for recreational purposes		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product
98.01	Buttons and button moulds, studs, cuff-links, and press-fasteners, including snap-fasteners and press-studs, blanks and parts of such articles		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product
98.08	Typewriter and similar ribbons whether or not on spools; ink-pads, with or without boxes		Manufacture in which the value of the products used does not exceed 50 % of the value of the finished product

Annex 3 to Annex II

LIST B

List of working or processing operations which when carried out on non-originating materials do not result in a change of tariff heading, but which do confer the status of 'originating products' on the products resulting from such operations:

Finished products		Working or processing of non-originating materials that confers the status of originating products
CCT heading No	Description	
		Incorporation of materials and parts in boilers, machinery, mechanical appliances, etc., of Chapters 84 to 92 in boilers and radiators of heading No 73.37 and in the products contained in heading Nos 97.07 and 98.03 does not make such products lose their status of originating products, provided that the value of these products does not exceed 5 % of the value of the finished product
13.02	Shellac, seed lac, stick lac and other lacs; natural gums, resins, gum-resins and balsams	Working, processing or assembly in which the value of the materials and parts used does not exceed 50 % of the value of the finished product
ex 15.05	Refined lanolin	Manufacture from crude wool grease
ex 15.10	Fatty alcohols	Manufacture from fatty acids
ex 17.01	Beet sugar and cane sugar, in solid form, flavoured or coloured	Manufacture from beet sugar and cane sugar in solid form without flavouring or colouring of which the value does not exceed 30 % of the value of the finished product
ex 17.02	Lactose, glucose, maple or other sugars, in solid form, flavoured or coloured	Manufacture from other sugars in solid form without flavouring or colouring of which the value does not exceed 30 % of the value of the finished product
ex 17.03	Molasses, flavoured or coloured	Manufacture from products without flavouring or colouring of which the value does not exceed 30 % of the value of the finished product
ex 21.03	Prepared mustard	Manufacture from mustard flour
ex 22.09	Whisky of an alcoholic strength of less than 50 °	Manufacture from alcohol deriving exclusively from the distillation of cereals and in which the value of the non-originating constituent products does not exceed 15 % of the value of the finished product
ex 25.15	Marble squared by sawing, of a thickness not exceeding 25 cm	Sawing into slabs or sections, polishing, grinding and cleaning of marble, including marble not further worked than roughly split, roughly squared or squared by sawing, of a thickness exceeding 25 cm
ex 25.16	Granite, porphyry, basalt, sandstone and other monumental and building stone, squared by sawing, of a thickness not exceeding 25 cm	Sawing of granite, porphyry, basalt, sandstone and other building stone, including such stone not further worked than roughly split, roughly squared or squared by sawing, of a thickness exceeding 25 cm

Finished products		Working or processing of non-originating materials that confers the status of originating products
CCT heading No	Description	
ex 25.18	Calcined dolomite; agglomerated dolomite (including tarred dolomite)	Calcination of unworked dolomite
ex 25.19	Other magnesium oxide, whether or not chemically pure	Manufacture from natural magnesium carbonate (magnesite)
ex 25.19	Natural magnesium carbonate, (magnesite), whether or not calcined, other than magnesium oxide, crushed and put into hermetically sealed containers	Crushing and putting into hermetically sealed containers of natural magnesium carbonate (magnesite), whether or not calcined, other than magnesium oxide
ex 25.24	Natural asbestos fibres	Treatment of asbestos concentrate
ex 25.26	Milled and homogenized mica waste	Milling and homogenizing of mica waste
ex 25.32	Earth colours, calcined or powdered	Crushing and calcination or powdering of earth colours
ex Chapter 28 to 37	Products of the chemical and allied industries, excluding sulphuric anhydride (ex 28.13), calcined, crushed and powdered natural aluminium calcium phosphates, treated thermally (ex 31.03), tannins (ex 32.01), essential oils, resinoids and terpenic by-products (ex 33.01), preparations used for tenderizing meat, preparations used for clarifying beer composed of papain and bentonite and enzymatic preparations for the desizing of textiles (ex 35.07)	Working or processing in which the value of the products used does not exceed 20 % of the value of the finished product
ex 28.13.	Sulphuric anhydride	Manufacture from sulphur dioxide
ex 31.03	Calcined, crushed and powdered natural aluminium calcium phosphates, treated thermally	Crushing and powdering of calcined natural aluminium calcium phosphates, treated thermally
ex 32.01	Tannins (tannic acids), including water-extracted gall-nut tannin, and their salts, ethers, esters and other derivatives	Manufacture from tanning extracts of vegetable origin
ex 33.01	Essential oils (terpeneless or not), concretes and absolutes; resinoids; terpenic by-products of the deterpenation of essential oils	Manufacture from concentrates of essential oils in fats, in fixed oils, or in waxes or the like, obtained by cold absorption or by maceration
ex 35.07	Preparations used for tenderizing meat, preparations used for clarifying beer, composed of papain and bentonite, enzymatic preparations for the desizing of textiles	Manufacture from enzymes or prepared enzymes of which the value does not exceed 50 % of the value of the finished product
ex Chapter 38	Miscellaneous chemical products, other than refined tall oil (ex 38.05), spirits of sulphate turpentine, purified (ex 38.07) and wood pitch (wood tar pitch) (ex 38.09)	Working or processing in which the value of the materials used does not exceed 20 % of the value of the finished product
ex 38.05	Refined tall oil	Refining of crude tall oil
ex 38.07	Sulphate turpentine, purified	Purification consisting of the distillation or refining of raw sulphate turpentine
ex 38.09	Wood pitch (wood tar pitch)	Distillation of wood tar
ex Chapter 39	Artificial resins and plastic materials, cellulose esters and ethers; articles thereof, excepting films of ionomers (ex 39.02)	Working or processing in which the value of the materials used does not exceed 20 % of the value of the finished product

Finished products		Working or processing of non-originating materials that confers the status of originating products
CCT heading No	Description	
ex 39.02	Ionomer film	Manufacture from a thermoplastic partial salt which is a copolymer of ethylene and metacrylic acid partly neutralized with metal ions, mainly zinc and sodium
ex 40.01	Slabs of crepe rubber for soles	Lamination of crepe sheets of natural rubber
ex 40.07	Vulcanized rubber thread and cord, textile covered	Manufacture from vulcanized rubber thread or cord, not textile covered
ex 41.01	Sheep- and lamb-skins without the wool	Removing wool from sheep- and lamb-skins in the wool
ex 41.02	Retanned bovine cattle leather (including buffalo leather) and equine leather prepared but not parchment-dressed except leather falling within heading Nos 41.06 and 41.08	Retanning of bovine cattle leather (including buffalo leather) and equine leather, not further prepared than tanned
ex 41.03	Retanned sheep- and lamb-skin leather, prepared but not parchment-dressed, except leather falling within heading Nos 41.06 and 41.08	Retanning of sheep- and lamb-skin leather, not further prepared than tanned
ex 41.04	Retanned goat- and kid-skin leather, prepared but not parchment-dressed, except leather falling within heading Nos 41.06 and 41.08	Retanning of goat- and kid-skin leather, not further prepared than tanned
ex 41.05	Other kinds of retanned leather, prepared but not parchment-dressed, except leather falling within heading Nos 41.06 and 41.08	Retanning of other kinds of leather, not further prepared than tanned
ex 43.02	Assembled furskins	Bleaching, dyeing, dressing, cutting and assembling of tanned or dressed furskins
ex 44.22	Casks, barrels, vats, tubs, buckets and other coopers' products and parts thereof	Manufacture from riven staves of wood, not further prepared than sawn on one principal surface; sawn staves of wood, of which at least one principal surface has been cylindrically sawn, not further prepared than sawn
ex 50.03	Silk waste carded or combed	Carding or combing waste silk
ex 50.09 ex 51.04 ex 53.11 ex 53.12 ex 54.05 ex 55.07 ex 55.08 ex 55.09 ex 56.07	Printed fabrics	Printing accompanied by finishing operations (bleaching, dressing, drying, steaming, burling, mending, impregnating, sanforizing, mercerizing) of fabrics the value of which does not exceed 47.5 % of the value of the finished product
ex 59.14	Incandescent gas mantles	Manufacture from tubular gas-mantle fabric
ex 67.01	Feather dusters	Manufacture from feathers, parts of feathers or down
ex 68.03	Articles of slate, including articles of agglomerated slate	Manufacture of articles of slate
ex 68.04	Hand polishing stones, whetstones, oilstones, hones and the like, of natural stone, of agglomerated natural or artificial abrasives, or of pottery	Cutting, adjusting and gluing of abrasive materials, which, owing to their shape, are not recognizable as being intended for hand use

Finished products		Working or processing of non-originating materials that confers the status of originating products
CCT heading No	Description	
ex 68.13	Articles of asbestos; articles of mixtures with a basis of asbestos or of mixtures with a basis of asbestos and magnesium carbonate	Manufacture of articles of asbestos or of mixtures with a basis of asbestos, or of mixtures with a basis of asbestos and magnesium carbonate
ex 68.15	Articles of mica, including bonded mica splittings on a support of paper or fabric	Manufacture of articles of mica
ex 70.10	Cut-glass bottles	Cutting of bottles the value of which does not exceed 50 % of the value of the finished product
70.13	Glassware (other than articles falling within heading No 70.19) of a kind commonly used for table, kitchen, toilet or office purposes, for indoor decoration, or similar uses	Cutting of glassware the value of which does not exceed 50 % of the value of the finished product or decoration, with the exception of silk-screen printing, carried out entirely by hand, of hand-blown glassware the value of which does not exceed 50 % of the value of the finished product
ex 70.20	Articles made from glass fibre	Manufacture from unworked glass fibre
ex 71.02	Precious and semi-precious stones, cut or otherwise worked, but not mounted, set or strung (except ungraded stones temporarily strung for convenience of transport)	Manufacture from unworked precious and semi-precious stones
ex 71.03	Synthetic or reconstructed precious or semi-precious stones, cut or otherwise worked, but not mounted, set or strung (except ungraded stones temporarily strung for convenience of transport)	Manufacture from unworked synthetic or reconstructed precious or semi-precious stones
ex 71.05	Silver and silver alloys, including silver gilt and platinum-plated silver, semi-manufactured	Rolling, drawing, beating or grinding of unwrought silver and silver alloys
ex 71.05	Silver, including silver gilt and platinum-plated silver, unwrought	Alloying or electrolytic separation of unwrought silver and silver alloys
ex 71.06	Rolled silver, semi-manufactured	Rolling, drawing, beating or grinding of unwrought rolled silver
ex 71.07	Gold, including platinum-plated gold, semi-manufactured	Rolling, drawing, beating or grinding of unwrought gold, including platinum-plated gold
ex 71.07	Gold, including platinum-plated gold, unwrought	Alloying or electrolytic separation of unwrought gold or gold alloys
ex 71.08	Rolled gold on base metal or silver, semi-manufactured	Rolling, drawing, beating or grinding of unwrought rolled gold on base metal or silver
ex 71.09	Platinum and other metals of the platinum group, semi-manufactured	Rolling, drawing, beating or grinding of unwrought platinum or other metals of the platinum group
ex 71.09	Platinum and other metals of the platinum group, unwrought	Alloying or electrolytic separation of unwrought platinum or other metals of the platinum group
ex 71.10	Rolled platinum or other platinum group metals, on base metal or precious metal, semi-manufactured	Rolling, drawing, beating or grinding of unwrought rolled platinum or other unwrought platinum group metals, on base metal or precious metal

Finished products		Working or processing of non-originating materials that confers the status of originating products
CCT heading No	Description	
ex 73.15	Alloy steel and high carbon steel: — in the forms mentioned in heading Nos 73.07 to 73.13, — in the forms mentioned in heading No 73.14	Manufacture from products in the forms mentioned in heading No 73.06 Manufacture from products in the forms mentioned in heading No 73.06 or 73.07
ex 73.29	Skid chains	Working or processing in which the value of the products used does not exceed 50 % of the value of the finished product
ex 74.01	Unrefined copper (blister copper and other)	Smelting of copper matte
ex 74.01	Refined copper	Fire-refining or electrolytic refining of unrefined copper (blister copper and other) copper waste or scrap
ex 74.01	Copper alloy	Fusion and thermal treatment of refined copper, copper waste or scrap
ex 75.01	Unwrought nickel (excluding electro-plating anodes of heading No 75.05)	Refining by electrolysis, by fusion or chemically, of nickel mattes, nickel speiss and other intermediate products of nickel metallurgy
ex 75.01	Unwrought nickel except nickel alloys	Refining of waste by electrolysis, by melting or by chemical means of waste and scrap
ex 76.01	Unwrought aluminium	Manufacture by thermal or electrolytic treatment of unalloyed aluminium, waste and scrap
76.16	Other articles of aluminium	Manufacture in which gauze, cloth, grill, netting, fencing, reinforcing fabric and similar materials (including endless bands) of aluminium wire, or expanded metal of aluminium, are used the value of which does not exceed 50 % of the value of the finished product
ex 77.02	Other articles of magnesium	Manufacture from wrought bars, rods, angles, shapes and sections, plates, sheets and strip, wire, foil, raspings and shavings of uniform size, powders and flakes, tubes and pipes and blanks therefor, hollow bars, of magnesium, the value of which does not exceed 50 % of the value of the finished product
ex 77.04	Beryllium wrought	Rolling, drawing or grinding of unwrought beryllium the value of which does not exceed 50 % of the value of the finished product
ex 78.01	Refined lead	Manufacture by thermal refining from bullion lead
ex 81.01	Tungsten, wrought	Manufacture from unwrought tungsten the value of which does not exceed 50 % of the value of the finished product
ex 81.02	Molybdenum, wrought	Manufacture from unwrought molybdenum the value of which does not exceed 50 % of the value of the finished product

Finished products		Working or processing of non-originating materials that confers the status of originating products
CCT heading No	Description	
ex 81.03	Tantalum, wrought	Manufacture from unwrought tantalum the value of which does not exceed 50 % of the value of the finished product
ex 81.04	Other base metals, wrought	Manufacture from other base metals, unwrought, the value of which does not exceed 50 % of the value of the finished product
ex 82.09	Knives with cutting blades, serrated or not (including pruning knives) other than knives falling within heading No 82.06	Manufacture from knife blades
ex 83.06	Indoor ornaments made from base metals other than statuettes	Working or processing in which the value of the materials used does not exceed 30 % of the value of the finished product
ex 84.05	Steam engines (including mobile engines, but not steam tractors falling within heading No 87.01 or mechanically propelled road rollers) with self-contained boilers	Working, processing or assembly in which the value of the products used does not exceed 40 % of the value of the finished product
84.06	Internal combustion piston engines	Working, processing or assembly in which the value of the materials and parts used does not exceed 40 % of the value of the finished product
ex 84.08	Engines and motors, excluding reaction engines and gas turbines	Working, processing or assembly in which the value of the materials and parts used does not exceed 40 % of the value of the finished product, and provided that at least 50 % in value of the materials and parts ⁽¹⁾ used are originating products
84.16	Calendering and similar rolling machines (other than metal-working and metal-rolling machines and glass-working machines) and cylinders therefor	Working, processing or assembly in which the value of the materials and parts used does not exceed 25 % of the value of the finished product
ex 84.17	Machinery, plant and similar laboratory equipment, whether or not electrically heated, for the treatment of materials by a process involving a change of temperature, for wood, paper pulp, paper and paperboard manufacturing industries	Working, processing or assembly in which the value of the materials and parts used does not exceed 25 % of the value of the finished product
84.31	Machinery for making or finishing cellulosic pulp, paper or paperboard	Working, processing or assembly in which the value of the materials and parts used does not exceed 25 % of the value of the finished product
84.33	Paper or paperboard cutting machines of all kinds; other machinery for making up paper pulp, paper or paperboard	Working, processing or assembly in which the value of the materials and parts used does not exceed 25 % of the value of the finished product

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

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

Finished products		Working or processing of non-originating materials that confers the status of originating products
CCT heading No	Description	
ex 84.41	Sewing machines, including furniture specially designed for sewing	Working, processing or assembly in which the value of the materials and parts used does not exceed 40 % of the value of the finished product, and provided that: — at least 50 % in value of the materials and parts ⁽¹⁾ used for assembly of the head (motor excluded) are originating products, — and the thread tensions, crochet and zigzag mechanisms are originating products
85.14	Microphones and stands therefor; loudspeakers; audio-frequency electric amplifiers	Working, processing or assembly in which the value of the materials and parts used does not exceed 40 % of the value of the finished product and provided that at least 50 % of the materials and parts used are originating products ⁽²⁾
85.15	Radiotelegraphic and radiotelephonic transmission and reception apparatus; radio-broadcasting and television transmission and reception apparatus (including receivers incorporating sound recorders or reproducers) and television cameras; radio navigational aid apparatus, radar apparatus and radio remote control apparatus	Working, processing or assembly in which the value of the materials and parts used does not exceed 40 % of the value of the finished product and provided that at least 50 % of the materials and parts used are originating products ⁽²⁾
87.06	Parts and accessories of the motor vehicles falling within heading No 87.01, 87.02 or 87.03	Working, processing or assembly in which the value of the materials and parts used does not exceed 15 % of the value of the finished product
ex 94.01	Chairs and other seats (other than those falling within heading No 94.02) whether or not convertible into beds, made of base metals	Working, processing or assembly in which unstuffed cotton cloth is used of a weight of 300 g/m ² or less in the form ready to use, of which the value does not exceed 25 % of the value of the finished product ⁽³⁾
ex 94.03	Other furniture of base metal	Working, processing or assembly in which unstuffed cotton is used of a weight of 300 g/m ² or less in the form ready to use, of which the value does not exceed 25 % of the value of the finished product ⁽³⁾

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

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

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

⁽³⁾ This rule does not apply when the general rule of change of tariff heading is applied to the other parts which are part of the composition of the final product.

Finished products		Working or processing of non-originating materials that confers the status of originating products
CCT heading No	Description	
ex 95.05	Articles in tortoise shell, mother of pearl, ivory, bone, horn, coral (natural or agglomerated) and other animal carving material	Manufacture from tortoise shell, mother of pearl, ivory, bone, horn, coral (natural or agglomerated) and other animal carving material; worked
ex 95.08	Articles in vegetable carving material (for example corozo), meerschaum and amber, natural or reconstituted, jet (and mineral substitutes for jet)	Manufacture from vegetable carving material (for example corozo), meerschaum and amber, natural or reconstituted, jet (and mineral substitutes for jet); worked
ex 96.01	Brushes and brooms	Manufacture using prepared knots and tufts for broom or brush making the value of which does not exceed 50 % of the value of the finished product
ex 97.06	Golf-club heads of wood or other materials	Manufacture from roughly shaped blocks
ex 98.11	Smoking pipes, pipe bowls, of wood, root or other materials	Manufacture from roughly shaped blocks

Annex 4 to Annex II

LIST C

List of products excluded from the scope of Annex II

CCT heading No	Description
ex 27.07	Assimilated aromatic oils as defined in note 2 to Chapter 27, of which more than 65 % by volume distils at a temperature of up to 250 °C (including mixtures of petroleum spirit and benzole), for use as power or heating fuels
27.09 to 27.16	Mineral oils and products of their distillation; bituminous substances; mineral waxes
ex 29.01	Hydrocarbons: — Acyclic — Cyclanes and cyclenes, excluding azulenes — Benzene, toluene, xylenes For use as power or heating fuels
ex 34.03	Lubricating preparations containing petroleum oils or oils obtained from bituminous minerals, but not including preparations containing 70 % or more by weight of petroleum oils or of oils obtained from bituminous minerals
ex 34.04	Waxes with a basis of paraffin, of petroleum waxes, of waxes obtained from bituminous minerals, of slack wax or of scale wax
ex 38.14	Prepared additives for lubricants

MOVEMENT CERTIFICATE

1. Exporter (Name, full address, country)		EUR. 1 No A 000.000	
		See notes overleaf before completing this form	
3. Consignee (Name, full address, country) — (Optional)		2. Certificate used in preferential trade between	
		 and (insert appropriate countries, groups of countries or territories)	
		4. Country, group of countries or territory in which the products are considered as originating	5. Country, group of countries or territory of destination
6. Transport details (Optional)		7. Remarks	
8. Item number; Marks and numbers; Number and kind of packages ⁽¹⁾ ; Description of goods		9. Gross weight (kg) or other measure (litres, m ³ , etc.)	10. Invoices (Optional)
11. CUSTOMS ENDORSEMENT		12. DECLARATION BY THE EXPORTER	
Declaration certified Export document ⁽²⁾ Form No Customs office Issuing country or territory Date (Signature)		I, the undersigned, declare that the goods described above meet the conditions required for the issue of this certificate. Place and date: (Signature)	

⁽¹⁾ If goods are not packed, indicate number of articles or state 'in bulk' as appropriate.

⁽²⁾ Complete only where the regulations of the exporting country or territory require.

Stamp

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

NOTES

1. Certificates must not contain erasures or words written over one another. Any alterations must be made by deleting the incorrect particulars and adding any necessary corrections. Any such alteration must be initialled by the person who completed the certificate and endorsed by the customs authorities of the issuing country or territory.
2. No spaces must be left between the items entered on the certificate and each item must be preceded by an item number. A horizontal line must be drawn immediately below the last item. Any unused space must be struck through in such a manner as to make any later additions impossible.
3. Goods must be described in accordance with commercial practice and with sufficient detail to enable them to be identified.

APPLICATION FOR A MOVEMENT CERTIFICATE

1. Exporter (Name, full address, country)		EUR. 1 No A 000.000	
		See notes overleaf before completing this form	
3. Consignee (Name, full address, country) (Optional)	2. Application for a certificate to be used in preferential trade between and (insert appropriate countries, groups of countries or territories)		
	4. Country, group of countries or territory in which the products are considered as originating	5. Country, group of countries or territory of destination	
6. Transport details (Optional)	7. Remarks		
8. Item number; Marks and numbers; Number and kind of packages ⁽¹⁾ ; Description of goods		9. Gross weight (kg) or other measure (litres, m ³ , etc.)	10. Invoices (Optional)

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

DECLARATION BY THE EXPORTER

I, the undersigned, exporter of the goods described overleaf,

DECLARE that the goods meet the conditions required for the issue of the attached certificate;

SPECIFY as follows the circumstances which have enabled these goods to meet the above conditions:

.....

.....

.....

.....

SUBMIT the following supporting documents ⁽¹⁾:

.....

.....

.....

.....

UNDERTAKE to submit, at the request of the appropriate authorities, any supporting evidence which these authorities may require for the purpose of issuing the attached certificate, and undertake, if required, to agree to any inspection of my accounts and to any check on the processes of manufacture of the above goods, carried out by the said authorities;

REQUEST the issue of the attached certificate for these goods.

.....
(Place and date)

.....
(Signature)

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

(RECTO)
Before completing this form read carefully the instructions on the other side.

FORM EUR. 2 No		1 Form used in preferential trade between ⁽¹⁾ and	
		3 Declaration by exporter I, the undersigned, exporter of the goods described below, declare that the goods comply with the requirements for the completion of this form and that the goods have obtained the status of originating products within the provisions governing preferential trade shown in box 1.	
2 Exporter (Name, full address, country)		5 Place and date	
4 Consignee (Name, full address, country)		6 Signature of exporter	
7 Remarks ⁽²⁾		8 Country of origin ⁽³⁾	9 Country of destination ⁽⁴⁾
			10 Gross weight (kg)
11 Marks; Numbers of consignment; Description of goods		12 Authority in the exporting country ⁽⁴⁾ responsible for verification of the declaration by the exporter	

⁽¹⁾ Insert the countries, groups of countries or territories concerned.

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

⁽³⁾ The term 'country of origin' means country, group of countries or territory where the goods are considered to be originating.

⁽⁴⁾ The term 'country' means country, group of countries or territory.

13 Request for verification The verification of the declaration by the exporter on the front of this form is requested (*) (Place and date) 19..... Stamp (Signature)	14 Result of verification Verification carried out shows that (1) ☐ the statements and particulars given in this form are accurate. ☐ this form does not meet the requirements as to accuracy and authenticity (see remarks appended). (Place and date) 19..... Stamp (Signature) (1) Insert X in the appropriate box.
---	--

(*) Subsequent verifications of forms EUR.2 shall be carried out at random or whenever the customs authorities of the importing State have reasonable doubt as to the accuracy of the information regarding the authenticity of the forms and the true origin of the goods in question.

Instructions for the completion of form EUR.2

1. A form EUR.2 may be made out only for goods which in the exporting country fulfil the conditions specified by the provisions governing the trade referred to in box 1. These provisions must be studied carefully before the form is completed.
2. In the case of a consignment by parcel post the exporter attaches the form to the dispatch note. In the case of a consignment by letter post he encloses the form in a package. The reference 'EUR.2' and the serial number of the form should be stated on the customs green label declaration C1 or on the customs declaration C2/CP3, as appropriate.
3. These instructions do not exempt the exporter from complying with any other formalities required by customs or postal regulations.
4. An exporter who uses this form is obliged to submit to the appropriate authorities any supporting evidence which they may require and to agree to any inspection by them of his accounts and of the processes of manufacture of the goods described in box 11 of this form.

Annex 7 to Annex II

SPECIMEN OF DECLARATION

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

.....

and (as appropriate):

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

or

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

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

and have undergone the following processes:

..... (indicate processings)

in

.....

.....
(Place and date)

.....
(Signature)

.....
(*) To be completed as necessary.

EUROPEAN COMMUNITIES

1. Supplier ⁽¹⁾	INFORMATION CERTIFICATE to facilitate the issue of a MOVEMENT CERTIFICATE for preferential trade between the		
2. Consignee ⁽¹⁾	EUROPEAN ECONOMIC COMMUNITY and THE COUNTRIES AND TERRITORIES		
3. Processor ⁽¹⁾	4. State in which the working or processing has been carried out		
6. Customs office of importation ⁽²⁾	5. For official use		
7. Import document ⁽²⁾ Form No Series Date 			
GOODS SENT TO THE MEMBER STATE OF DESTINATION			
8. Marks, numbers, quantity and kind of package	9. Tariff heading number and description of goods	10. Quantity ⁽³⁾	
		11. Value ⁽⁴⁾	
IMPORTED GOODS USED			
12. Tariff heading number and description	13. Country of origin	14. Quantity ⁽³⁾	15. Value ⁽²⁾ ⁽⁵⁾
16. Nature of the working or processing carried out			
17. Remarks			
18. CUSTOMS ENDORSEMENT Declaration certified Document Form No Customs office Date 		19. DECLARATION BY THE SUPPLIER I, the undersigned, declare that the information on this certificate is accurate (Place) (date) (Signature) Official stamp	

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

REQUEST FOR VERIFICATION

The undersigned customs official requests verification of the authenticity and accuracy of this information certificate

.....
(Place and date)

Official
stamp

.....
(Official's signature)

RESULT OF VERIFICATION

Verification carried out by the undersigned customs official shows that this information certificate:

- (a) was issued by the customs office indicated and that the information contained therein is accurate (*)
- (b) does not meet the requirements as to authenticity and accuracy (see notes appended) (*)

.....
(Place and date)

Official
stamp

.....
(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 as forming a whole with the goods contained therein. However, this provision shall not apply to packaging which is not of the normal type for the article packed, and which has a lasting utility value of its own, apart from its function as packaging.
- (5) The value must be indicated in accordance with the provisions on rules of origin.

ANNEX III

on the application of Article 13

Article 1

1. The Commission may, at the request of a Member State or on its own initiative, decide to apply to products originating in the countries and territories the safeguard measures which the Community may take pursuant to Article 13 of the Decision, in particular a temporary, total or partial suspension of the tariff and other measures provided for by the Decision for the benefit of the countries and territories.

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

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

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

Article 2

1. Without prejudice to the application of Article 1, the Commission may authorize a Member State to take safeguard measures to counteract the disturbances or difficulties referred to in Article 13 of the Decision.

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

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

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

Article 3

Before taking measures on its own initiative or giving the authorization provided for in the first subparagraph of Articles 1 (1) and 2 (1), the Commission shall consult

a committee consisting of representatives of the Member States and chaired by a Commission representative.

In the cases provided for in the second subparagraph of Articles 1 (1) and 2 (1), the Commission shall notify the other Member States immediately of the requests made to it.

Article 4

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

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

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

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

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

3. For the purposes of applying this Article, priority shall be given to measures which cause the least disturbance to the functioning of the common market.

Article 5

This Annex shall not preclude application of the Regulations establishing a common organization of agricultural markets, of Community or national administrative provisions derived therefrom, of the special Regulations adopted under Article 235 of the Treaty for processed agricultural products; it shall be implemented as a complement to those instruments.

ANNEX IV

on imports of cane sugar originating in the countries and territories

Article 1

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

2. The implementation of this Annex shall be carried out within the framework of the management of the common organization of the market in sugar. The safeguard clause in Article 13 of the Decision shall not apply.

Article 2

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

Belize:	39 400
St Kitts-Nevis and Anguilla:	14 800

Article 3

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

Article 4

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

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

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

Community at a price equivalent to or in excess of the guaranteed price.

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

Article 5

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

Article 6

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

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

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

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

ANNEX V

relating to Article 3

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

ANNEX VI

on exports of bananas by the countries and territories

The following objectives for improving the conditions under which the countries and territories' bananas are produced and marketed have been agreed and appropriate measures will be taken for their implementation:

Article 1

As regards its exports of bananas to the markets of the Community, no country or territory shall be placed, as regards access to its traditional markets and its advantages on those markets, in a less favourable situation than in the past or at present.

Article 2

The competent authorities of the Member States concerned and the Community will confer together in order to determine the measures to be implemented to improve conditions for the production and marketing of bananas. This aim will be pursued by using all the means provided for in the context of financial and technical cooperation. The measures in question will be designed to enable the countries and territories, account being taken of their individual situations, to become more competitive both on their traditional markets and on the other markets of the Community. Measures will be implemented at all stages from production to consumption and will cover the following fields in particular:

- improvement of production, harvesting, handling and internal transport conditions,
 - trade promotion.
-

ANNEX VII

**on the tax and customs arrangements applicable in the overseas countries and territories to
contracts financed by the Community**

Article 1

1. The overseas countries and territories shall apply to contracts, financed by the Community, tax and customs arrangements no less favourable than those applied *vis-à-vis* the most-favoured State or most-favoured international development organization.

For the purpose of applying the first subparagraph no account shall be taken of arrangements applied to other developing countries.

2. Subject to paragraph 1, the overseas countries and territories shall apply to contracts financed by the Community the arrangements laid down in Articles 2 to 12.

Article 2

Contracts financed by the Community shall not be subject in the beneficiary country or territory to stamp or registration duties or fiscal charges having equivalent effect, whether such charges exist or are to be instituted.

They may, however, be subject to the formality of registration, in accordance with the laws in force in the country or territory. This formality may entail the collection of fees which correspond to payment for the service provided and which do not exceed the cost of the deed in accordance with the legal provisions in force in each country or territory concerned.

Article 3

1. Study, inspection or supervision contracts financed by the Community shall not give rise to turnover tax in the beneficiary country or territory.

2. Profits arising from carrying out works, study, inspection or supervision contracts financed by the Community shall be taxable according to the internal fiscal arrangements of the country or territory concerned, provided that the natural or legal persons who realised such profits in that country or territory have a permanent place of business there or that the contracts take longer than six months to carry out.

Article 4

1. Imports under a supply contract financed by the Community shall cross the frontier of the beneficiary country or territory without being subject to customs duties, import duties, taxes or fiscal charges having equivalent effect.

2. Where a supply contract financed by the Community involves a product originating in the beneficiary country or territory, the contract, shall be concluded on the basis of the ex-works price of the supplies in question, to which shall be added the internal fiscal charges applicable in the country or territory to those supplies.

3. The exemptions shall be expressly provided for in the text of the contract.

Article 5

Fuels, lubricants and hydrocarbon binders and, in general, all materials used in the performance of a works contract financed by the Community shall be deemed to have been purchased on the local market and shall be subject to fiscal rules applicable under the national legislation in force in the beneficiary country or territory.

Article 6

Undertakings which must import professional, equipment in order to carry out works contracts shall, if they so request, benefit from the system of temporary admission as defined by the national legislation of the beneficiary country or territory in respect of the said equipment.

Article 7

Professional equipment necessary for carrying out tasks defined in a study, inspection or supervision contract shall be temporarily admitted into the beneficiary country (countries) or territory (territories), 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.

Article 8

1. Personal and household effects imported for personal use by natural persons, other than those recruited locally, engaged in carrying out tasks defined in a study, inspection or supervision contract shall be exempt from customs duties, import duties, taxes and other fiscal charges having equivalent effect, within the limit of the national legislation of the beneficiary country or territory.

2. These provisions shall also apply to members of the families of the persons referred to in paragraph 1.

Article 9

1. The Commission delegate and staff appointed to the delegations, with the exception of staff recruited locally, shall be exempt from all direct taxes in the country or territory in which they perform their duties.

2. The staff referred to in paragraph 1 shall also be covered by Article 8.

Article 10

The countries and territories shall grant exemption from all national or local duties or fiscal charges on the interest, commission and amortization due on assistance given by the Community in the form of special loans, subordinated or conditional loans through risk capital or loans from the own resources of the Bank, as referred to in Articles 84 and 88 of the Decision.

Article 11

Any matter not covered by this Annex shall remain subject to the national legislation of the countries and territories referred to in the Decision.

Article 12

The above provisions shall apply to the performance of all contracts financed by the Community and concluded subsequent to the entry into force of the Decision.

*ANNEX VIII***Declaration by the Government of the Kingdom of the Netherlands**

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

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

ANNEX IX

relating to the import of rum

Article 1

Until the entry into force of a common organization of the market in spirits, and at all events no later than 1 March 1985, rum, arrack and tafia, falling within subheading 22.09 C I of the Common Customs Tariff and originating in the countries and territories, shall be imported into the Community free of customs duties within the limits of a Community quota fixed in accordance with the following provisions.

Article 2

The tariff quota provided for in Article 1 shall be fixed each year for a period running from 1 July to 30 June.

Article 3

1. The annual tariff quota shall be fixed on the basis of a basic annual quantity, calculated in hectolitres of pure alcohol, equal to the amount of imports during the best of the last three years for which statistics are available.
2. The annual tariff quota shall be equal to the basic annual quantity determined pursuant to paragraph 1 plus a growth rate of 18 %. The quota shall be fixed on that basis.
3. However, the Council, acting unanimously on a proposal from the Commission, may each year increase or reduce the growth rate laid down in paragraph 2 in the light of Community consumption and production and developments in trade flows within the Community and between the Community, the countries and territories and the ACP States.

Article 4

When laying down the annual import quota, the Council, acting by a qualified majority on a proposal from the Commission, shall determine the allocation of the quota amongst the Member States, taking into account actual trends on the markets in question, the needs of the Member States and economic prospects for the period under consideration.

Article 5

For the purposes of implementing this Annex the concept of 'originating products' and the methods of administrative cooperation relating thereto shall be those defined in Annex II to the Decision.

Article 6

The products referred to in Article 1 shall be placed under Community surveillance according to detailed arrangements to be laid down by the Council when it adopts the measures provided for in Article 3.

Article 7

At the request of the competent authorities of the countries and territories, the Community, within the framework of the provisions of Title I, Chapter 2, shall assist those countries and territories in promoting and expanding their sales of rum on the traditional and non-traditional markets of the Community.

Information regarding the date of entry into force of the Council Decision on the association of the overseas countries and territories with the European Economic Community

Pursuant to Article 140 of the Council Decision on the association of the overseas countries and territories with the European Economic Community, this Decision will enter into force at the same time as the Second ACP-EEC Convention of Lomé, signed in Lomé on 31 October 1979 ⁽¹⁾, that is to say on 1 January 1981.

⁽¹⁾ OJ No L 347, 22. 12. 1980, p. 2.

DECISION OF THE REPRESENTATIVES OF THE GOVERNMENTS OF THE
MEMBER STATES OF THE EUROPEAN COAL AND STEEL COMMUNITY,
MEETING WITHIN THE COUNCIL

of 16 December 1980

on the opening of tariff preferences for products within the province of that Community
originating in the overseas countries and territories associated with the Community

(80/1187/ECSC)

THE REPRESENTATIVES OF THE GOVERNMENTS
OF THE MEMBER STATES OF THE EUROPEAN COAL
AND STEEL COMMUNITY, MEETING WITHIN THE
COUNCIL,

Whereas the Member States have concluded among
themselves the Treaty establishing the European Coal
and Steel Community;

Whereas Title I of Council Decision 80/1186/EEC of
16 December 1980 on the association of the overseas
countries and territories with the European Economic
Community ⁽¹⁾ does not apply to products within the
province of the European Coal and Steel Community;

Whereas, however, trade in such products between the
Member States and the countries and territories should
be maintained and intensified;

In agreement with the Commission,

HAVE DECIDED AS FOLLOWS:

Article 1

The duties applicable in the Community to imports of
products within the province of the European Coal and
Steel Community originating in the countries and
territories listed in Annex I to Decision 80/1186/EEC,
the charges having an effect equivalent to such duties
and the collection of such duties and charges shall be
suspended; however, the treatment applied to these
products shall not be more favourable than that applied
by the Member States among themselves.

Article 2

The products referred to above originating in the
Member States shall be admitted for import into the
countries and territories on conditions similar to those
laid down in Chapter 1 of Title I of Decision
80/1186/EEC.

Article 3

Consultations shall take place between the Member
States concerned in all cases where, in the opinion of
one of them, the implementation of the above
provisions calls for such consultations.

Article 4

The provisions laying down the rules of origin for the
application of Decision 80/1186/EEC shall also apply
to this Decision.

Article 5

The Member States shall decide by mutual agreement
on any safeguard measures suggested by one or more
Member States or the Commission.

Article 6

This Decision shall apply until 28 February 1985.

Article 7

Member States shall take the measures necessary to
implement this Decision.

⁽¹⁾ See page 1 of this Official Journal.

Article 8

Done at Brussels, 16 December 1980.

This Decision shall be published in the *Official Journal of the European Communities* at the same time as Decision 80/1186/EEC.

It shall enter into force at the same time as Decision 80/1186/EEC.

The President

Colette FLESCH
