



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 16.04.1999

SEC(1999) 502 final

COMMUNICATION FROM THE COMMISSION

**Request for Council assent and consultation of the ECSC Committee,
pursuant to Article 95 of the ECSC Treaty,
concerning a draft Commission decision**

**on the position to be taken by the European Coal and Steel Community within
the Joint Committee established by the Agreement between the European Coal
and Steel Community and Turkey on trade in products covered by the Treaty
establishing the European Coal and Steel Community as regards the amendment
of Protocol 1 on rules of origin**

COMMUNICATION FROM THE COMMISSION

The agreement between the European Coal and Steel Community and Turkey on trade in products covered by the ECSC Treaty entered into force on 1 August 1996¹. Protocol 1 establishes the rules of origin.

From 1 January 1999, pan-European cumulation of origin has been extended to Turkey in respect of products subject to the EC-Turkey customs union. It is necessary for reasons of consistency to extend the same provisions to ECSC products.

Integration of ECSC products originating in Turkey in the pan-European cumulation rules of origin will have no negative impact on the EU budget.

It is therefore proposed to amend Protocol 1 as shown in the attached draft and to implement the new rules of origin as soon as possible.

¹ OJ N° L 227, 7.9.96, p.3.

Draft

COMMISSION DECISION ./.../ECSC

on the position to be taken by the European Coal and Steel Community within the Joint Committee established by the Agreement between the European Coal and Steel Community and Turkey on trade in products covered by the Treaty establishing the European Coal and Steel Community as regards the amendment of Protocol 1 on rules of origin

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Coal and Steel Community, and in particular the first paragraph of Article 95 thereof,

Having regard to the opinion of the Consultative Committee,

After the assent of the Council,

Whereas on 29 February 1996 the European Coal and Steel Community concluded with the Republic of Turkey an Agreement on trade in products covered by the Treaty establishing the European Coal and Steel Community¹,

Whereas with effect from 1 January 1999, products that are subject to the EC-Turkey customs union benefit from pan-European cumulation of origin, and whereas it is necessary to extend equivalent treatment in respect of products subject to the agreement on trade in ECSC products;

Whereas Protocol 1 of the agreement should be amended,

HAS DECIDED AS FOLLOWS:

The position to be taken by the Community within the ECSC/Turkey Joint Committee, established by the Agreement between the European Coal and Steel Community and the Republic of Turkey on trade in products covered by the Treaty establishing the European Coal and Steel Community, with regard to rules of origin shall be based on the draft Decision of the Joint Committee annexed to this Decision.

Done at Brussels,

For the Commission

¹ OJ N°L 227, 7.9.96, p.1.

ANNEX

DRAFT DECISION N°/99

OF THE JOINT COMMITTEE

Established under the Agreement between the European Coal and Steel
Community and the Republic of Turkey on trade in products covered by the
Treaty establishing the European Coal and Steel Community
Of 1999

Amending Protocol 1 of the Agreement

THE JOINT COMMITTEE,

Having regard to the Agreement between the European Coal and Steel Community
and the Republic of Turkey on trade in products covered by the Treaty establishing
the European Coal and Steel Community, and in particular Article 6 and Protocol 1
thereof,

HAS DECIDED AS FOLLOWS:

Article 1

Articles 1 to 34 of Protocol 1 of the Agreement between the European Coal and Steel
Community and the Republic of Turkey on trade in products covered by the Treaty
establishing the European Coal and Steel Community, shall be replaced by the text
attached hereto.

Article 2

This Decision shall take effect on the date of its adoption.

It shall apply with effect from 1 January 1999.

Article 3

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

Done at

*For the Joint Committee
The Chairman*

ANNEX

PROTOCOL 1

on rules of origin

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TITLE I
GENERAL PROVISIONS

Article 1

Definitions

For the purposes of this Protocol:

- (a) "manufacture" means any kind of working or processing including assembly or specific operations;
- (b) "material" means any ingredient, raw material, component or part, etc., used in the manufacture of the product;
- (c) "product" means the product being manufactured, even if it is intended for later use in another manufacturing operation;
- (d) "goods" means both materials and products;
- (e) "customs value" means the value as determined in accordance with the 1994 Agreement on implementation of Article VII of the General Agreement on Tariffs and Trade (WTO Agreement on customs valuation);
- (f) "ex-works price" means the price paid for the product ex works to the manufacturer in the Community or Turkey in whose undertaking the last working or processing is carried out, provided the price includes the value of all the materials used, minus any internal taxes which are, or may be, repaid when the product obtained is exported;
- (g) "value of materials" means the customs value at the time of importation of the non-originating materials used, or, if this is not known and cannot be ascertained, the first ascertainable price paid for the materials in the Community or Turkey;
- (h) "value of originating materials" means the value of such materials as defined in subparagraph (g) applied mutatis mutandis;
- (i) "added value" shall be taken to be the ex-works price minus the customs value of each of the materials incorporated which originated in the other countries referred to in Articles 3 and 4 or, where the customs value is not known or cannot be ascertained, the first price verifiably paid for the products in the Community or Turkey.;
- (j) "chapters" and "headings" mean the chapters and the headings (four-digit codes) used in the nomenclature which makes up the Harmonized Commodity Description and Coding System, referred to in this Protocol as "the Harmonized System" or "HS";
- (k) "classified" refers to the classification of a product or material under a particular heading;

- (l) "consignment" means products which are either sent simultaneously from one exporter to one consignee or covered by a single transport document covering their shipment from the exporter to the consignee or, in the absence of such a document, by a single invoice;
- (m) "territories" includes territorial waters.

TITLE II

DEFINITION OF THE CONCEPT OF "ORIGINATING PRODUCTS"

Article 2

General requirements

1. For the purpose of implementing this Agreement, the following products shall be considered as originating in the Community:
 - (a) products wholly obtained in the Community within the meaning of Article 5 of this Protocol;
 - (b) products obtained in the Community incorporating materials which have not been wholly obtained there, provided that such materials have undergone sufficient working or processing in the Community within the meaning of Article 6 of this Protocol;
2. For the purpose of implementing this Agreement, the following products shall be considered as originating in Turkey:
 - (a) products wholly obtained in Turkey within the meaning of Article 5 of this Protocol;
 - (b) products obtained in Turkey incorporating materials which have not been wholly obtained there, provided that such materials have undergone sufficient working or processing in Turkey within the meaning of Article 6 of this Protocol.

Article 3

Cumulation of origin in the Community

1. Without prejudice to the provisions of Article 2(1), products shall be considered as originating in the Community if such products are obtained there, incorporating materials originating in the Community, Turkey, Bulgaria, Poland, Hungary, the Czech Republic, the Slovak Republic, Romania, Lithuania, Latvia, Estonia, Slovenia, Iceland, Norway or Switzerland (including Liechtenstein)¹ in accordance with the provisions of the Protocol on rules of origin annexed to the Agreements between the Community and each

¹ The Principality of Liechtenstein has formed a customs union with Switzerland and is a Contracting Party to the Agreement on the European Economic Area.

of these countries, provided that the working or processing carried out in the Community goes beyond that referred to in Article 7 of this Protocol. It shall not be necessary that such materials have undergone sufficient working or processing.

2. Where the working or processing carried out in the Community does not go beyond the operations referred to in Article 7, the product obtained shall be considered as originating in the Community only where the value added there is greater than the value of the materials used originating in any one of the other countries referred to in paragraph 1. If this is not so, the product obtained shall be considered as originating in the country which accounts for the highest value of originating materials used in the manufacture in the Community.
3. Products originating in one of the countries referred to in paragraph 1, which do not undergo any working or processing in the Community, retain their origin if exported into one of these countries.
4. The cumulation provided for in this Article may only be applied to materials or products which have acquired the originating status by an application of rules of origin identical to those given in this Protocol.

The Community shall provide Turkey, through the Commission of the European Communities, with details of the Agreements and their corresponding rules of origin, which are applied with the other countries referred to in paragraph 1. The Commission of the European Communities shall publish in the Official Journal of the European Communities (C Series) the date on which the cumulation, provided for in this Article may be applied by those countries listed in paragraph (1) which have fulfilled the necessary requirements.

Article 4

Cumulation in Turkey

1. Without prejudice to the provisions of Article 2(2), products shall be considered as originating in Turkey if such products are obtained there, incorporating materials originating in the Community, Turkey, Bulgaria, Poland, Hungary, the Czech Republic, the Slovak Republic, Romania, Latvia, Lithuania, Estonia, Slovenia, Iceland, Norway or Switzerland (including Liechtenstein)¹ in accordance with the provisions of the Protocol on rules of origin annexed to the Agreements between Turkey and each one of these countries, provided that the working or processing carried out in Turkey goes beyond that referred to in Article 7 of this Protocol. It shall not be necessary that such materials have undergone sufficient working or processing.
2. Where the working or processing carried out in Turkey does not go beyond the operations referred to in Article 7, the product obtained shall be considered as originating in Turkey only where the value added there is greater than the value of the materials used originating in any one of the other countries

¹ The Principality of Liechtenstein has formed a customs union with Switzerland and is a Contracting Party to the Agreement on the European Economic Area.

referred to in paragraph 1. If this not so, the product obtained shall be considered as originating in the country which accounts for the highest value of originating materials used in the manufacture in Turkey.

3. Products originating in one of the countries referred to in paragraph 1, which do not undergo any working or processing in Turkey, retain their origin if they are exported to one of these countries.
4. The cumulation provided for in this Article may only be applied to materials and products which have acquired originating status by an application of rules of origin identical to those given in this Protocol.

Turkey shall provide the Community, through the Commission of the European Communities, with details of the Agreements and their corresponding rules of origin, which are applied with the other countries referred to in paragraph 1. The Commission of the European Communities shall publish in the Official Journal of the European Communities (C Series) the date on which the cumulation, provided for in this Article may be applied by those countries listed in paragraph . which have fulfilled the necessary requirements.

Article 5

Wholly obtained products

1. The following shall be considered as wholly obtained in the Community or Turkey:
 - (a) mineral products extracted from their soil or from their seabed;
 - (b) used articles collected there fit only for the recovery of raw materials;
 - (c) waste and scrap resulting from manufacturing operations conducted there;
 - (d) goods produced there exclusively from the products specified in subparagraphs (a) to (c).

Article 6

Sufficiently worked or processed products

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

The conditions referred to above indicate, for all products covered by this Agreement, the working or processing which must be carried out on non-originating materials used in manufacturing and apply only in relation to such materials. accordingly, it follows that if a product, which has acquired originating status by fulfilling the conditions set out in the list is used in the manufacture of another product, the conditions applicable to the product in which it is incorporated do not apply to it, and no account shall be taken of the non-originating materials which may have been used in its manufacture.

2. Notwithstanding paragraph 1, non-originating materials which, according to the conditions set out in the list, should not be used in the manufacture of a product may nevertheless be used, provided that:
 - (a) their total value does not exceed 10 per cent of the ex-works price of the product;
 - (b) any of the percentages given in the list for the maximum value of non-originating materials are not exceeded through the application of this paragraph.
3. Paragraphs 1 and 2 shall apply except as provided in Article 7.

Article 7

Insufficient working or processing operations

1. Without prejudice to paragraph 2, the following operations shall be considered as insufficient working or processing to confer the status of originating products, whether or not the requirements of Article 6 are satisfied:
 - (a) operations to ensure the preservation of products 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 packages;
(ii) simple placing in bottles, flasks, bags, cases, boxes, fixing on cards or boards etc., and all other simple packaging operations;
 - (d) affixing marks, labels and other like distinguishing signs on products or their packaging;
 - (e) simple mixing of products, whether or not of different kinds, where one or more components of the mixtures do not meet the conditions laid down in this Protocol to enable them to be considered as originating in the Community or Turkey;
 - (f) simple assembly of parts to constitute a complete product;
 - (g) a combination of two or more operations specified in subparagraphs (a) to (f);
2. All the operations carried out in either the Community or Turkey on a given product shall be considered together when determining whether the working or processing undergone by that product is to be regarded as insufficient within the meaning of paragraph 1.

Article 8

Unit of qualification

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

Accordingly, it follows that:

- (a) when a product composed of a group or assembly of articles is classified under the terms of the Harmonized System in a single heading, the whole constitutes the unit of qualification;
 - (b) when a consignment consists of a number of identical products classified under the same heading of the Harmonized System, each product must be taken individually when applying the provisions of this Protocol.
2. Where, under general rule 5 of the Harmonized System, packaging is included with the product for classification purposes, it shall be included for the purposes of determining origin.

Article 9

Neutral elements

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

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

TITLE III

TERRITORIAL REQUIREMENTS

Article 10

Principle of territoriality

1. Except as provided for in Articles 3 and 4 and paragraph 3 of this Article, the conditions for acquiring originating status set out in Title II must continue to be fulfilled at all times in the Community or in Turkey.
2. Except as provided for in Articles 3 and 4, where originating goods exported from the Community or Turkey to another country return, they must be considered as non-originating, unless it can be demonstrated to the satisfaction of the customs authorities that:
 - (a) the returning goods are the same as those that were exported; and
 - (b) they have not undergone any operation beyond that necessary to preserve them in good condition while in that country or while being exported.
3. The acquisition of originating status in accordance with the conditions set out in Title II shall not be affected by working or processing done outside the Community or Turkey on materials exported from the Community or Turkey and subsequently reimported there, provided:
 - (a) the said materials are wholly obtained in the Community or Turkey or have undergone working or processing beyond the insufficient operations listed in Article 7 prior to being exported; and
 - (b) it can be demonstrated to the satisfaction of the customs authorities that:
 - i) the reimported goods have been obtained by working or processing the exported materials; and
 - ii) the total added value acquired outside the Community or Turkey by applying the provisions of this Article does not exceed 10% of the ex-works price of the end product for which originating status is claimed.
4. For the purposes of paragraph 3, the conditions for acquiring originating status set out in Title II shall not apply to working or processing done outside the Community or Turkey. But where, in the list in Annex II, a rule setting a maximum value for all the non-originating materials incorporated is applied in determining the originating status of the end product, the total value of the non-originating materials incorporated in the territory of the party concerned, taken together with the total added

value acquired outside the Community or Turkey by applying the provisions of this Article, shall not exceed the stated percentage.

5. For the purposes of applying the provisions of paragraphs 3 and 4, "total added value" shall be taken to mean all costs arising outside the Community or Turkey, including the value of the materials incorporated there.
6. The provisions of paragraphs 3 and 4 shall not apply to products which do not fulfil the conditions set out in the list in Annex II or which can be considered sufficiently worked or processed only if the general values fixed in Article 6(2) are applied.
7. Any working or processing of the kind covered by the provisions of this Article and done outside the Community or Turkey shall be done under the outward processing arrangements, or similar arrangements

Article 11

Direct transport

1. The preferential treatment provided for under the Agreement applies only to products, satisfying the requirements of this Protocol, which are transported directly between the Community and Turkey or through the territory of the other countries referred to in Articles 3 and 4. However, products constituting one single consignment may be transported through other territories with, should the occasion arise, trans-shipment or temporary warehousing in such territories, provided that they remain under the surveillance of the customs authorities in the country of transit or warehousing and do not undergo operations other than unloading, reloading or any operation designed to preserve them in good condition.
2. Evidence that the conditions set out in paragraph 1 have been fulfilled shall be supplied to the customs authorities of the importing country by the production of:
 - (a) a single transport document covering the passage from the exporting country through the country of transit; or
 - (b) a certificate issued by the customs authorities of the country of transit:
 - (i) giving an exact description of the products;
 - (ii) stating the dates of unloading and reloading of the products and, where applicable, the names of the ships, or the other means of transport used; and
 - (iii) certifying the conditions under which the products remained in the transit country; or
 - (c) failing these, any substantiating documents.

Article 12

Exhibitions

1. Originating products, sent for exhibition in another country other than those referred to in Articles 3 and 4 and sold after the exhibition for importation in the Community or Turkey shall benefit on importation from the provisions of the Agreement provided it is shown to the satisfaction of the customs authorities that :
 - (a) an exporter has consigned these products from the Community or Turkey to the country in which the exhibition is held and has exhibited them there;
 - (b) the products have been sold or otherwise disposed of by that exporter to a person in the Community or Turkey;
 - (c) the products have been consigned during the exhibition or immediately thereafter in the state in which they were sent for exhibition; and
 - (d) the products have not, since they were consigned for exhibition, been used for any purpose other than demonstration at the exhibition.
2. A proof of origin must be issued or made out in accordance with the provisions of Title V and submitted to the customs authorities of the importing country in the normal manner. The name and address of the exhibition must be indicated thereon. Where necessary, additional documentary evidence of the conditions under which they have been exhibited may be required.
3. Paragraph 1 shall apply to any trade, industrial, agricultural or crafts exhibition, fair or similar public show or display which is not organized for private purposes in shops or business premises with a view to the sale of foreign products, and during which the products remain under customs control.

TITLE IV

DRAWBACK OR EXEMPTION

Article 13

Prohibition of drawback of, or exemption from, customs duties

1. Non-originating materials used in the manufacture of products originating in the Community or in Turkey or in one of the other countries referred to in Article 3 and 4 for which a proof of origin is issued or made out in accordance with the provisions of Title V shall not be subject in the Community or Turkey to drawback of, or exemption from, customs duties of whatever kind.
2. The prohibition in paragraph 1 shall apply to any arrangement for refund, remission or non-payment, partial or complete, of customs duties or charges having an equivalent effect, applicable in the Community or Turkey to materials used in the manufacture, where such refund, remission or non-payment applies, expressly or in effect, when products obtained from the said materials are exported and not when they are retained for home use there.
3. The exporter of products covered by a proof of origin shall be prepared to submit at any time, upon request from the customs authorities, all appropriate

documents proving that no drawback has been obtained in respect of the non-originating materials used in the manufacture of the products concerned and that all customs duties or charges having equivalent effect applicable to such materials have actually been paid.

4. The provisions of paragraphs 1 to 3 shall also apply in respect of packaging within the meaning of Article 8 (2) when such items are non-originating.

5. The provisions of paragraphs 1 to 4 shall apply only in respect of materials which are of the kind to which the Agreement applies.

6. Notwithstanding paragraph 1, Turkey may apply arrangements for drawback of, or exemption from, customs duties or charges having an equivalent effect, applicable to materials used in the manufacture of originating products provided that a 5 per cent rate of customs charge shall be retained, or such lower rate as is in force in Turkey.

The provisions of this paragraph shall apply until 31 December 2000 and may be reviewed by common accord.

TITLE V

PROOF OF ORIGIN

Article 14

General requirements

1. Products originating in the Community shall, on importation into Turkey and products originating in Turkey shall, on importation into the Community, benefit from this Agreement upon submission of either :
 - (a) a movement certificate EUR.1, a specimen of which appears in Annex III; or
 - (b) in the cases specified in Article 19(1), a declaration, the text of which appears in Annex IV, given by the exporter on an invoice, a delivery note or any other commercial document which describes the products concerned in sufficient detail to enable them to be identified (hereinafter referred to as the "invoice declaration").

Article 15

Procedure for the issue of a movement certificate EUR.1

1. A movement certificate EUR.1 shall be issued by the customs authorities of the exporting country on application having been made in writing by the exporter or, under the exporter's responsibility, by his authorized representative.
2. For this purpose, the exporter or his authorized representative shall fill out both the movement certificate EUR.1 and the application form, specimens of which appear in Annex III. These forms shall be completed in one of the languages in which this Agreement is drawn up and in accordance with the

provisions of the domestic law of the exporting country. If they are handwritten, they shall be completed in ink in printed characters. The description of the products must be given in the box reserved for this purpose without leaving any blank lines. Where the box is not completely filled, a horizontal line must be drawn below the last line of the description, the empty space being crossed through.

3. The exporter applying for the issue of a movement certificate EUR.1 shall be prepared to submit at any time, at the request of the customs authorities of the exporting country where the movement certificate EUR.1 is issued, all appropriate documents proving the originating status of the products concerned as well as the fulfilment of the other requirements of this Protocol.
4. A movement certificate EUR.1 shall be issued by the customs authorities of an EC Member State or Turkey if the products concerned can be considered as products originating in the Community or Turkey or in one of the other countries referred to in Articles 3 and 4 and fulfill the other requirements of this Protocol.
5. The issuing customs authorities shall take any steps necessary to verify the originating status of the products and the fulfilment of the other requirements of this Protocol. For this purpose, they shall have the right to call for any evidence and to carry out any inspection of the exporter's accounts or any other check considered appropriate. The issuing customs authorities shall also ensure that the forms referred to in paragraph 2 are duly completed. In particular, they shall check whether the space reserved for the description of the products has been completed in such a manner as to exclude all possibility of fraudulent additions.
6. The date of issue of the movement certificate EUR.1 shall be indicated in Box 11 of the certificate.
7. A movement certificate EUR.1 shall be issued by the customs authorities and made available to the exporter as soon as actual exportation has been effected or ensured.

Article 16

Movement certificates EUR.1 issued retrospectively

1. Notwithstanding Article 15(7), a movement certificate EUR.1 may exceptionally be issued after exportation of the products to which it relates if:
 - (a) it was not issued at the time of exportation because of errors or involuntary omissions or special circumstances; or
 - (b) it is demonstrated to the satisfaction of the customs authorities that a movement certificate EUR.1 was issued but was not accepted at importation for technical reasons.
2. For the implementation of paragraph 1, the exporter must indicate in his application the place and date of exportation of the products to which the movement certificate EUR.1 relates, and state the reasons for his request.
3. The customs authorities may issue a movement certificate EUR.1 retrospectively only after verifying that the information supplied in the exporter's application agrees with that in the corresponding file.

4. Movement certificates EUR.1 issued retrospectively must be endorsed with one of the following phrases:
 "NACHTRÄGLICH AUSGESTELLT", "DELIVRE A POSTERIORI",
 "RILASCIATO A POSTERIORI", "AFGEGEVEN A POSTERIORI",
 "ISSUED RETROSPECTIVELY", "UDSTEDT EFTERFØLGENDE",
 "ΕΚΔΟΘΕΝ ΕΚ ΤΩΝ ΥΣΤΕΡΩΝ", "EXPEDIDO A POSTERIORI",
 "EMITIDO A POSTERIORI", "ANNETTU JALKIKÄTEEN",
 "UTFÄRDAT I EFTERHAND", "SONRADAN VERILMISTIR"
5. The endorsement referred to in paragraph 4 shall be inserted in the "Remarks" box of the movement certificate EUR.1.

Article 17

Issue of a duplicate movement certificate EUR.1

1. In the event of theft, loss or destruction of a movement certificate EUR.1, the exporter may apply to the customs authorities which issued it for a duplicate made out on the basis of the export documents in their possession.
2. The duplicate issued in this way must be endorsed with one of the following words:
 "DUPLIKAT", "DUPLICATA", "DUPLICATO", "DUPLICAAT",
 "DUPLICATE", "ΑΝΤΙΓΡΑΦΟ", "DUPLICADO", "SEGUNDA VIA",
 "KAKSOISKAPPALE", "IKINCI NÜSHADIR"
3. The endorsement referred to in paragraph 2 shall be inserted in the "Remarks" box of the duplicate movement certificate EUR.1.
4. The duplicate, which must bear the date of issue of the original movement certificate EUR.1, shall take effect as from that date.

Article 18

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

When originating products are placed under the control of a customs office in the Community or Turkey, it shall be possible to replace the original proof of origin by one or more movement certificates EUR.1 for the purpose of sending all or some of these products elsewhere within the Community or Turkey. The replacement movement certificate(s) EUR.1 shall be issued by the customs office under whose control the products are placed.

Article 19

Conditions for making out an invoice declaration

1. An invoice declaration as referred to in Article 14(1)(b) may be made out:
 - (a) by an approved exporter within the meaning of Article 20, or

- (b) by any exporter for any consignment consisting of one or more packages containing originating products whose total value does not exceed EURO 6 000.
2. An invoice declaration may be made out if the products concerned can be considered as products originating in the Community, Turkey or one of the other countries referred to in Articles 3 and 4 and fulfill the other requirements of this Protocol.
 3. The exporter making out an invoice declaration shall be prepared to submit at any time, at the request of the customs authorities of the exporting country, all appropriate documents proving the originating status of the products concerned as well as the fulfilment of the other requirements of this Protocol.
 4. An invoice declaration shall be made out by the exporter by typing, stamping or printing on the invoice, the delivery note or another commercial document, the declaration, the text of which appears in Annex IV, using one of the linguistic versions set out in that Annex and in accordance with the provisions of the domestic law of the exporting country. If the declaration is handwritten, it shall be written in ink in printed characters.
 5. Invoice declarations shall bear the original signature of the exporter in manuscript. However, an approved exporter within the meaning of Article 20 shall not be required to sign such declarations provided that he gives the customs authorities of the exporting country a written undertaking that he accepts full responsibility for any invoice declaration which identifies him as if it had been signed in manuscript by him.
 6. An invoice declaration may be made out by the exporter when the products to which it relates are exported, or after exportation on condition that it is presented in the importing country no longer than two years after the importation of the products to which it relates.

Article 20

Approved exporter

1. The customs authorities of the exporting country may authorize any exporter who makes frequent shipments of products under this Agreement to make out invoice declarations irrespective of the value of the products concerned. An exporter seeking such authorisation must offer to the satisfaction of the customs authorities all guarantees necessary to verify the originating status of the products as well as the fulfilment of the other requirements of this Protocol.
2. The customs authorities may grant the status of approved exporter subject to any conditions which they consider appropriate.
3. The customs authorities shall grant to the approved exporter a customs authorization number which shall appear on the invoice declaration.
4. The customs authorities shall monitor the use of the authorization by the approved exporter.
5. The customs authorities may withdraw the authorization at any time. They shall do so where the approved exporter no longer offers the guarantees referred to in paragraph 1, does not fulfill the conditions referred to in paragraph 2 or otherwise makes an incorrect use of the authorization.

Article 21

Validity of proof of origin

1. A proof of origin shall be valid for four months from the date of issue in the exporting country, and must be submitted within the said period to the customs authorities of the importing country.
2. Proofs of origin which are submitted to the customs authorities of the importing country after the final date for presentation specified in paragraph 1 may be accepted for the purpose of applying preferential treatment, where the failure to submit these documents by the final date set is due to exceptional circumstances.
3. In other cases of belated presentation, the customs authorities of the importing country may accept the proofs of origin where the products have been submitted before the said final date.

Article 22

Submission of proof of origin

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

Article 23

Supporting documents

The documents referred to in Articles 15(3) and 19(3) used for the purpose of proving that products covered by a movement certificate EUR.1 or an invoice declaration can be considered as products originating in the Community or Turkey or in one of the other countries referred to in Articles 3 and 4 and fulfill the other requirements of this Protocol may consist inter alia of the following:

- (a) direct evidence of the processes carried out by the exporter or supplier to obtain the goods concerned, contained for example in his accounts or internal bookkeeping;
- (b) documents proving the originating status of materials used, issued or made out in the Community or Turkey where these documents are used in accordance with domestic law;
- (c) documents proving the working or processing of materials in the Community or Turkey, issued or made out in the Community or Turkey, where these documents are used in accordance with domestic law;
- (d) movement certificates EUR.1 or invoice declarations proving the originating status of materials used, issued or made out in the Community or Turkey in accordance with this Protocol, or in one of the other countries referred to in Articles 3 and 4, in accordance with rules of origin which are identical to the rules of this Protocol.

Article 24

Preservation of proof of origin and supporting documents

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

Article 25

Discrepancies and formal errors

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

Article 26

Amounts expressed in euro

1. Amounts in the national currency of the exporting country equivalent to the amounts expressed in euro shall be fixed by the exporting country and communicated to the importing countries through the European Commission.
2. When the amounts exceed the corresponding amounts fixed by the importing country, the latter shall accept them if the products are invoiced in the currency of the exporting country. When the products are invoiced in the currency of another EC Member State or another country referred to in Articles 3 and 4, the importing country shall recognize the amount notified by the country concerned.
3. The amounts to be used in any given national currency shall be the equivalent in that national currency of the amounts expressed in euro as at the first working day in October 1996.
4. The amounts expressed in euro and their equivalents in the national currencies of the EC Member States and Turkey shall be reviewed by the Joint Committee at the request of the Community or Turkey. When carrying out this review, the Joint Committee shall ensure that there will be no decrease in the

amounts to be used in any national currency and shall furthermore consider the desirability of preserving the effects of the limits concerned in real terms. For this purpose, it may decide to modify the amounts expressed in euro.

TITLE VI

ARRANGEMENTS FOR ADMINISTRATIVE COOPERATION

Article 27

Mutual assistance

1. The customs authorities of the EC Member States and of Turkey shall provide each other, through the European Commission, with specimen impressions of stamps used in their customs offices for the issue of movement certificates EUR.1 and with the addresses of the customs authorities responsible for verifying those certificates and invoice declarations.
2. In order to ensure the proper application of this Protocol, the Community and Turkey shall assist each other, through the competent customs administrations, in checking the authenticity of the movement certificates EUR.1 or the invoice declarations and the correctness of the information given in these documents.

Article 28

Verification of proofs of origin

1. Subsequent verifications of proofs of origin shall be carried out at random or whenever the customs authorities of the importing country have reasonable doubts as to the authenticity of such documents, the originating status of the products concerned or the fulfilment of the other requirements of this Protocol.
2. For the purposes of implementing the provisions of paragraph 1, the customs authorities of the importing country shall return the movement certificate EUR.1 and the invoice, if it has been submitted, the invoice declaration, or a copy of these documents, to the customs authorities of the exporting country giving, where appropriate, the reasons for the enquiry. Any documents and information obtained suggesting that the information given on the proof of origin is incorrect shall be forwarded in support of the request for verification.
3. The verification shall be carried out by the customs authorities of the exporting country. For this purpose, they shall have the right to call for any evidence and to carry out any inspection of the exporter's accounts or any other check considered appropriate.
4. If the customs authorities of the importing country decide to suspend the granting of preferential treatment to the products concerned while awaiting the results of the verification, release of the products shall be offered to the importer subject to any precautionary measures judged necessary.
5. The customs authorities requesting the verification shall be informed of the results of this verification as soon as possible. These results must indicate clearly whether the documents are authentic and whether the products

concerned can be considered as products originating in the Community or Turkey or one of the other countries referred to in Articles 3 and 4 and fulfil the other requirements of this Protocol.

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

Article 29

Dispute settlement

Where disputes arise in relation to the verification procedures of Article 28 which cannot be settled between the customs authorities requesting a verification and the customs authorities responsible for carrying out this verification or where they raise a question as to the interpretation of this Protocol, they shall be submitted to the Joint Committee.

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

Article 30

Penalties

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

Article 31

Free zones

1. The Community and Turkey shall take all necessary steps to ensure that products traded under cover of a proof of origin which in the course of transport use a free zone situated in their territory, are not substituted by other goods and do not undergo handling other than normal operations designed to prevent their deterioration.
2. By means of an exemption to the provisions contained in paragraph 1, when products originating in the Community or Turkey are imported into a free zone under cover of a proof of origin and undergo treatment or processing, the authorities concerned shall issue a new EUR.1 certificate at the exporter's request, if the treatment or processing undergone is in conformity with the provisions of this Protocol.

TITLE VII
CEUTA AND MELILLA

Article 32

Application of the Protocol

1. The term 'Community' used in Article 2 does not cover Ceuta and Melilla.
2. Products originating in Turkey, when imported into Ceuta or Melilla, shall enjoy in all respects the same customs regime as that which is applied to products originating in the customs territory of the Community under Protocol 2 of the Act of Accession of the Kingdom of Spain and the Portuguese Republic to the European Communities. Turkey shall grant to imports of products covered by the Agreement and originating in Ceuta and Melilla the same customs regime as that which is granted to products imported from and originating in the Community.
3. For the purpose of the application of paragraph 2 concerning products originating in Ceuta and Melilla, this Protocol shall apply *mutatis mutandis* subject to the special conditions set out in Article 33.

Article 33

Special conditions

1. Providing they have been transported directly in accordance with the provisions of Article 11, the following shall be considered as:
 - (1) products originating in Ceuta and Melilla:
 - (a) products wholly obtained in Ceuta and Melilla;
 - (b) products obtained in Ceuta and Melilla in the manufacture of which products other than those referred to in (a) are used, provided that:
 - (i) the said products have undergone sufficient working or processing within the meaning of Article 6 of this Protocol; or that
 - (ii) those products are originating in Turkey or the Community within the meaning of this Protocol, provided that they have been submitted to working or processing which goes beyond the insufficient working or processing referred to in Article 7(1).
 - (2) products originating in Turkey:
 - (a) products wholly obtained in Turkey;

- (b) products obtained in Turkey, in the manufacture of which products other than those referred to in (a) are used, provided that :
- (i) the said products have undergone sufficient working or processing within the meaning of Article 6 of this Protocol; or that
 - (ii) those products are originating in Ceuta and Melilla or the Community within the meaning of this Protocol, provided that they have been submitted to working or processing which goes beyond the insufficient working or processing referred to in Article 7(1).
2. Ceuta and Melilla shall be considered as a single territory.
 3. The exporter or his authorized representative shall enter "Turkey" and "Ceuta and Melilla" in Box 2 of movement certificates EUR.1 or on invoice declarations. In addition, in the case of products originating in Ceuta and Melilla, this shall be indicated in Box 4 of movement certificates EUR.1 or on invoice declarations.
 4. The Spanish customs authorities shall be responsible for the application of this Protocol in Ceuta and Melilla.

TITLE VIII

FINAL PROVISIONS

Article 34

Amendments to the Protocol

The Joint Committee may decide to amend the provisions of this Protocol.